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Professional Notes.

WE publish this month the results of the examinations of the Society of Incorporated Accountants and Auditors held in November last. Of the total of 745 candidates, 296 entered for the Final examination, and of these 47 per cent. were successful. Mr. Leonard John Dennis Jones, Luton, was awarded the First Certificate of Merit and First Prize, and Mr. Brian John Graham Page, Great Yarmouth, the Second Certificate of Merit and Second Prize. The Third Certificate of Merit goes to Mr. Gilbert Sugden, Nottingham, and the Fourth Certificate of Merit to Mr. Alec Herbert Barber, London.

In the Intermediate examination 44 per cent. of the 358 candidates were successful. The Honours candidates are Mr. Percy Leonard Stapleton, London (First Place Certificate and

First Prize); Mr. Arthur Ernest Gilbert, Newport, Mon. (Second Place Certificate and Second Prize); Mr. Brian Pinder Kellett, Liverpool (Third Place Certificate); Mr. William Alfred Wixon, London (Fourth Place Certificate); and Mr. Thomas Geoffrey Forester, London (Fifth Place Certificate).

Ninety-one candidates sat for the Preliminary examination and 65 per cent. passed, three with Honours. Mr. Harry Spink, Nelson, the recipient of the First Place Certificate, was disqualified by the age limit from receiving a prize. Mr. Leonard Raymond Whitehead, Manchester, was awarded the Second Place Certificate and Prize, and Mr. Hyman Jacob Goldman, Glasgow, the Third Place Certificate.

In another column we announce the death of Mr. Alfred Lionel Gee, the editor of *The Accountant*, at the early age of 54. It is understood that the editorship of that paper will be carried on by Miss V. M. Snelling, who has been associated with the work for many years.

On the motion of a private member in the House of Commons urging an early amendment of the Companies Act, a number of matters came under discussion which the Parliamentary Secretary of the Board of Trade classed under three distinct categories: (1) fraud, "open and unashamed," such as share pushing and kindred activities; (2) the question of the amendment of the Companies Act, 1936; and (3) a proposal for a National Investments Board. The first of these, he said, was regarded as by far the most urgent and pressing, and the Government were determined to deal with share pushing and share hawking abuses drastically and as soon as possible.

As regards the revision of the Companies Act, the question to decide, he said, was whether the

present was an appropriate time for the setting up of what would have to be a very wide and comprehensive inquiry which must inevitably precede revision, and any such inquiry would have to cover the whole field of company law. They had to remember that those most competent to deal with the subject were not at present agreed either as to any admitted necessity for an amendment of the Act or as to the form the amendment should take. Regarding a National Investments Board, it was not considered that any case had been made out for the setting up of such a Board. It was necessary to keep a sense of proportion in regard to the consequence to poor people who were robbed of their savings by sharks.

Secretaries and Registrars of companies will be interested to note that the Stock Exchange Committee has decided, subject to confirmation on the 10th of this month, that, where a company or other body has issued registered and bearer securities representing one kind of issue, both classes will be made ex dividend on the same day instead of on varying dates as hitherto. It is considered that the present method of making registered and bearer securities ex dividend on different dates leads to confusion.

The consideration of the Inheritance (Family Provisions) Bill (which is designed to prevent the operation of frivolous and vicious wills) has now been concluded by the Standing Committee of the House of Commons, and it is expected that the report stage will be taken about the month of April. The Bill was introduced by Mr. Stanley Holmes, M.P., and has been amended in consultation with the law officers of the Crown.

We publish in another part of this issue a judgment of Mr. Justice Farwell in relation to fraudulent preference in bankruptcy. The case is an interesting one, its main effect being that a person depositing securities at the bank to cover an overdraft of another, as distinct from signing a guarantee, is not a "surety" or "guarantor" within the meaning of sect. 44 of the Bankruptcy Act. In concluding, his Lordship drew attention to the position in which the bank would have been placed if he had come to a different conclusion.

In our September issue we referred in these columns to the decision of Mr. Justice Lawrence in the case of *The Rev. Lionel Corbett v. Inland Revenue Commissioners*. It will be remembered that the wife of the plaintiff became entitled

under her father's will to a life interest in a share of the residue of his estate and that the Inland Revenue Authorities claimed to include as part of her husband's income for sur-tax purposes a sum representing the amount credited to her between the date of her father's death and the date of the ascertainment of the residue, grossed up at the appropriate rate of tax. His Lordship, reversing the decision of the Commissioners, held that the sum in question was not liable to sur-tax and the Crown appealed.

The Court of Appeal have now unanimously upheld that judgment, although Lord Justice Romer intimated that but for the authorities by which he considered himself bound he would have decided in favour of the Crown. The Master of the Rolls, in the course of his judgment, stated that the decisions in *Dr. Barnardo's Homes* case and the *Marie Celeste Samaritan Society* case were not limited to the facts of those particular cases as had been contended on behalf of the Crown, but laid down a general principle to be followed in all cases where the residue of an estate had not been ascertained. His Lordship also drew attention to the distinction for income tax purposes between the position of executors and that of trustees, pointing out that where trustees received income in trust to pay it over to the beneficiaries such payments were income in the hands of the beneficiaries, but where, as in this case, the income was received by executors prior to the completion of the administration such income was the income of the executors, and not that of the beneficiaries.

Another case in which the Court of Appeal decided in favour of the taxpayer was that of *Allied Newspapers, Limited v. Hindley (Inspector of Taxes)*. Uninterrupted access to their premises being essential to a newspaper company, they acquired the site and erected thereon a building which they sold to a subsidiary company, afterwards leasing it from that company. There was no intention of occupying the whole of the building and parts of it were sub-let, but the rents received from the sub-letting were less than the lease rent, and the company claimed to treat the difference of about £10,000 as a business expense for income tax. In the first instance the company were unsuccessful, the Commissioners taking the view that, while control of the site was essential to the business, the loss in question resulted from the subsequent operations which were not part of the company's trade and therefore could not be allowed as a

deduction for income tax purposes. This decision was reversed by Mr. Justice Lawrence, who based his conclusion on the *Usher's Brewery* and *Falkirk Iron* cases and held that, having admitted the company's claim that the control of the site was essential, the Commissioners could not then find that the payment of the lease rent was not an expense necessarily incurred for the purpose of the company's business. This view has now been upheld by the Court of Appeal.

In the case of *Radio Pictures, Limited, v. Commissioners of Inland Revenue*, which came before Mr. Justice Lawrence in the King's Bench Division, the main point—and one of considerable interest—was whether, in construing an agreement it was admissible to have regard to a preceding letter which passed between the parties and to the subsequent conduct of the parties. The dispute arose on an income tax repayment claim based upon a loss on exchange by an English company in discharging a debt to its parent company in America. The agreement between the two companies was preceded by a letter from the latter company which stated that the American company's invoice "will of course be expressed in dollars, and it will be dollars that you will owe us."

For the Crown it was contended that the agreement referred to sterling, and that it was inadmissible to have regard to the preceding letter or to the subsequent conduct of the parties, but Mr. Justice Lawrence considered that contention unsound except where the language of the instrument was absolutely plain and unambiguous. Where a doubt existed, as in the present case, the written agreement must be construed in the light of user or conduct of the parties. In support of this view he quoted the following words of Lord Wensleydale in *Waterpark v. Fennell*, decided by the House of Lords in 1859: "The construction of a deed is always for the Court, but in order to apply its provisions evidence is in every case admissible of all material facts existing at the time of the execution of the deed so as to place the Court in the situation of the grantor." His Lordship accordingly decided that the debts were dollar debts, and that the English company did make the losses on exchange which they claimed.

In connection with a voluntary liquidation a question arose in the Chancery Division in the case of *Re British Games, Limited*, as to the meaning of the words "signed personally" in

sect. 6 (1) of the Money Lenders Act, 1927. The material part of the sub-section is that no contract shall be enforceable for repayments by a borrower in respect of loans to him by a money lender "unless a note or memorandum in writing of the contract be made and signed personally by the borrower." The action was brought by a company of registered moneylenders whose proof of debt had been rejected by the liquidator. It was contended for the liquidator that there was no compliance with the sub-section unless the memorandum had been sealed by the borrowing company. On the other hand it was argued for the moneylenders that the sub-section was sufficiently complied with if the memorandum was signed by the duly authorised officers of the borrowing company.

Sect. 29 of the Companies Act, 1929, provides that "a contract which if made between private persons would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority express or implied." Mr. Justice Simonds held that the signing of the documents by the officers of the borrowing company who were authorised to sign on its behalf was a sufficient compliance with the requirements of the section of the Money Lenders Act above referred to.

Last month, in the case of *Cousens v. Minister of Health*, Mr. Justice Branson was asked to decide whether a man employed as a commissioned officer of the territorial army was engaged in the military service of the Crown within the meaning of the National Health Insurance Act, 1924. One of the exceptions in the first schedule to that Act is that persons employed in the naval, military or air service of the Crown are not to come within the scope of the Act. The action was brought by Mrs. Cousens, the widow of a commissioned officer in the territorial army, who claimed that her late husband's employment was employment within the meaning of the Act, and was not excluded by the exception referred to. The decision of the Minister of Health was that the employment of Mr. Cousens was employment in the military service of the Crown, and was therefore excepted from the operation of the Act.

From this decision the widow appealed by case stated. On her behalf it was submitted that although the deceased officer held a commission from the Crown the responsibility for his selection

was that of the commanding officer of the County Association, and that the terms of his service differed in many respects from those of a regular officer.

His Lordship drew attention to the provisions of the Territorial and Reserve Forces Act, 1907, the first section of which referred to "His Majesty's Military Forces other than the regulars and their reserves." This seemed to him to make it impossible to avoid the conclusion that Parliament regarded persons in the Territorial Army as being in the military service of the Crown. He accordingly decided that the case of the deceased officer was not one to which the provisions for compulsory insurance applied.

The problem of education for the accountancy profession has always attracted considerable attention. We publish in this issue an address on "Educating our Students," delivered at the annual meeting of the Dominion Association of Chartered Accountants by Mr. Kris A. Mapp, F.C.A. (Canada), A.S.A.A. The system described has been evolved by the Institute of Chartered Accountants of Ontario in the light of conditions prevailing in that Province.

The courses in use in Ontario have been carefully worked out with the co-operation of a University. Although courses in accounting are provided by several Universities in Great Britain, usually as part of the curriculum for degrees in commerce or economics, these facilities have not been developed in direct relation to preparation for professional examinations. The Scottish Chartered Accountants alone have secured attendance at University courses as part of the normal training of their apprentices.

The export quota of rubber for the first three months of 1938 has been fixed at 70 per cent., which is a reduction of 20 per cent. on the quota for the last three months of 1937. The average quota for the whole of 1937 was 83½ per cent., and for 1936 it was 62½ per cent. The rubber position depends to a large extent on the amount absorbed by the largest consumer, the United States of America, and the American consumption during 1937 has fallen very much short of expectations. The decision of the Rubber Regulation Committee had a strengthening effect on the market, the price of the commodity rising slightly when the announcement was made, but it is still far below the figure of twelve months ago.

REVOCATION OF A WILL.

A WILL is automatically cancelled by the subsequent marriage of the testator unless it is expressly stated to have been made in contemplation of that particular marriage. A will may be revoked by another will or codicil duly executed, or by some writing declaring an intention to revoke it and duly executed as a will, or by the burning, tearing, or otherwise destroying of the will by the testator or by some person in his presence and by his direction with intention of revoking it.

In *Cheese v. Lovejoy* (1877) a testator drew his pen through the lines of various parts of his will, wrote on the back of it "This is revoked," and threw it among a heap of waste papers in his sitting-room. A servant took it up and put it on a table in the kitchen. It remained lying about in the kitchen till the testator's death seven years afterwards, and was then found uninjured. It was held that the will was not revoked, the words "or otherwise destroying" in sect. 20 of the Wills Act, 1837, not being satisfied, as, whatever the testator intended, the will had not been actually injured. It is quite clear that a symbolical burning will not do, a symbolical tearing will not do, nor will a symbolical destruction. All the destroying in the world without intention will not revoke a will, nor all the intention in the world without destroying; there must be the two.

In *Sugden v. Lord St. Leonards* (1876), no will could be found on the death of the testator and there was no evidence that the will had been destroyed: in fact, the Court was convinced that the testator had no intention of cancelling it. His daughter was therefore allowed to state the provisions of it from memory, and it was held that the contents of a lost will may be proved by the evidence of a single witness, though interested, whose veracity and competency are unimpeached.

The contents of a lost will, like those of any other lost instrument, may be proved by secondary evidence. Declarations, written or oral, made by a testator, both before and after the execution of his will, are, in the event of its loss, admissible as secondary evidence of its contents. When the contents of a lost will are not completely proved, probate will be granted to the extent to which they are proved.

Whether a will has been revoked by the testator is a question of fact. Undoubtedly where a will is shown to have been in the custody of the testator, and it is not found at his death, the presumption, in the absence of evidence to the

contrary, is that the testator himself destroyed it. But that presumption may be rebutted by evidence leading to the conclusion that the testator did not do that which, in the absence of evidence to the contrary, it is presumed he had done. That evidence must necessarily be of great variety according to the various circumstances of the cases that are presented to the Court.

In a recent case (*re Lockton*, 1937) a clergyman died leaving a proper will which had been cut into fourteen pieces and tied up with green tape. The Court held that the testator had not meant to destroy it, and granted probate to the executors.

The destruction of a will with intent to revoke destroys the will as a whole. Cutting off the testator's signature, scratching it out, unless done under a mistaken belief, or cutting off by the testator of the signature of attesting witnesses, revokes a will unless otherwise explained, but the erasure by the witnesses of their own signatures does not revoke the will.

In *re Horsford* (1874), the testator signed his name and the witnesses attested such signature on a piece of paper upon which no dispositive part of the will was written. This paper was attached by string to the paper on which the will was written just opposite to the termination of the writing. On the evidence of the witnesses that the papers, to the best of their belief, were in the same state as when they signed them, it was held that the execution was valid.

Where a will is found destroyed or mutilated in a place where the testator would naturally put it, the presumption is that the testator destroyed it, but this presumption is only *prima facie* and may be rebutted. Revocation by destruction, obliteration, or by subsequent will or codicil, may be conditional, and if the condition in question is unfulfilled the revocation fails and the will as made before such revocation remains operative. A revocation which is shown to be made upon a mistake either of fact or of law and is considered by the Court not to be intended by the testator except conditionally on the mistaken assumption being correct is inoperative. In *James v. Shrimpton* (1876), the testator having duly executed a will, subsequently married. On the day of and after the marriage ceremony he executed a codicil, by which he made provision for his wife, and in all other respects revived, ratified, and confirmed his will. His wife predeceased him, and on his death the codicil, which had been in his possession, could not be found. Declarations of the testator of a desire to adhere to his will were proved extending up to the latest period of his life. It was held that

the testator could not have intended by the destruction of the codicil to render his will inoperative, and that the Court would therefore grant probate of the will and of the codicil as contained in a draft from which the original was prepared for execution.

Where a subsequent will is not found, the onus of proof that it revoked an earlier will lies on the person alleging revocation. In *Wood v. Wood* (1866), a will was found after the testator's death, but parol evidence was given that he had executed a subsequent will, which contained a clause of revocation, and which remained in his custody until his death, and could not then be found, and that he had declared an intention to destroy it. The Court pronounced for an intestacy.

A testator made a will in 1864 and duly executed another document in 1877. There was no evidence of the contents of the second document except that after its execution the testator said : "I have made a will altering my affairs, and I have taken care of E and there will be something for R." There was also a memorandum at the foot of the will that "this will is now useless, a new will having been made in October, 1877, upon my wife telling me she was sorry she had ever seen me." It was held that in the absence of proof of a revocatory clause or disposition wholly inconsistent with his first will, that will was not revoked, and was therefore entitled to probate (*Hellier v. Hellier*, 1884).

THE PRINCIPAL CHANGES EFFECTED BY THE FACTORIES ACT, 1937.

[CONTRIBUTED.]

In the preamble to the Bill, which has now become the Factories Act, 1937, it was stated that the Bill aimed at revising the existing law in order to bring it into conformity with modern standards and conditions. Prior to the passing of the Act the existing law was, for the most part, contained in the Factory and Workshops Act, 1901, and its amendments. This Act had, however, become largely out of date, and the new legislation remedies this by providing improved arrangements for securing the safety, health and welfare of factory employees. The Home Office have stated that the proposals are the result of experience gained in operating the 1901 Act. They embody the findings of numerous committees, and have been materially influenced by the experiments and researches of scientific bodies.

Definition of Factories.—Generally speaking, the distinction which previously existed between textile and non-textile factories, and between factories and workshops, has been abolished, and only one term, "factories," is used in the Act. This term is so defined

as to cover the great majority of works of all kinds apart from mines and quarries.

The Act (which comes into force in July, 1938) is divided into a number of parts, the chief of which deal with health, safety, welfare and the employment of women and young persons. It is in these four parts that the most important changes have been made, and a survey of these changes is given below.

Health.—It is now compulsory to keep every factory in a clean state and to make provision for cleaning floors and walls and arrangements for periodic washing or painting of interiors. The rules as to overcrowding have been amended. For every new workroom opened after the passing of the Act, and for all existing workrooms which change ownership within the next ten years, the amount of cubic space allowed for every person employed in the room must not be less than 400 cubic feet. For other workrooms the present limit of 250 cubic feet per person is maintained for a period of five years after the passing of the Act, and thereafter for a further period of five years if satisfactory arrangements have been made for mechanical ventilation. In calculating the amount of cubic space in any room, no space more than fourteen feet from the floor is to be taken into account. Effective provision must be made for securing and maintaining a reasonable temperature in each workroom, and where a substantial portion of the work is done sitting, and does not involve serious physical effort, a temperature of not less than 60° Fahr. is specified. Methods of ventilation and lighting in use in the factory must be such as will satisfy the Home Office requirements. Sanitary conveniences suitable in number and type must be provided.

Safety.—The many sections dealing with safety are very detailed, and only a reference to some of the more important changes can be given. Every factory which now employs more than twenty persons, and any future factory to employ more than ten persons, must be provided with such means of escape in case of fire as may reasonably be required. A certificate, as to the suitability of such means, will be given by the local council when satisfied that the factory has been properly supplied with those means of escape. No young person is to work at any machine prescribed as dangerous unless he has been fully instructed as to its dangers, and has either received a sufficient training in the work or is under adequate supervision. Where a special risk of injury to the eyes from particles thrown off in the course of industrial processes exists, suitable goggles or screens must be provided to protect the eyes of the worker.

Welfare.—Amongst the general welfare provisions it is laid down that a supply of drinking water must be provided and maintained at conveniently accessible points. On and after July 1st, 1939, adequate and suitable washing facilities must be provided and kept in a clean and orderly condition. The Act lays down that such facilities shall include soap and clean towels or other suitable means of cleaning or drying. Suitable and adequate accommodation for clothing not worn in working hours must now be provided, and arrangements made for drying such clothing. Another

section makes it compulsory to provide and maintain, for the use of all female workers whose work is done standing, suitable facilities for sitting sufficient to enable them to take advantage of rest pauses which may occur in the course of their employment.

Employment of Women and Young Persons.—Perhaps the most important part of the Act is that dealing with the employment of protected persons, i.e., women and young persons under 18 years of age. For women and for young persons of the age of sixteen and over, a normal maximum weekly limit of forty-eight working hours, a daily maximum limit of nine working hours, and a maximum period of employment (inclusive of intervals for meals and rest) of eleven hours is laid down. This eleven hours period must be fixed between the limits of 7 a.m. and 8 p.m., but on Saturdays work must not go on after 1 p.m. Such persons must not be employed continuously for a spell of more than four and a half hours without an interval of at least half-an-hour for rest or for a meal, unless an interval of not less than ten minutes is allowed in the spell, in which case the period may be increased to five hours.

After July 1st, 1939, the maximum hours of labour for young persons under the age of sixteen are to be 44 weekly. There is, however, a proviso in this case, for if the Home Secretary is satisfied after enquiry that this weekly period of 44 hours would be detrimental to any industry, he may extend the period to 48 hours. This will only be done where such extension will not prove injurious to the health of such young persons.

Overtime.—Pressure of work in the factory may, however, be dealt with by overtime employment of women and young persons over sixteen years of age. This period of overtime must not exceed 100 hours in any calendar year, or take place in more than 25 weeks in the year, or amount to more than six hours in any one week. Such overtime is further subject to the following conditions : (a) The total hours worked, exclusive of meal times or rest periods, is not to exceed ten per day ; and (b) the period of employment is not to exceed twelve hours. Young persons may not be employed after 8 p.m., nor women after 9 p.m. Overtime for young persons may be prohibited altogether by the Home Secretary, or in special circumstances he may allow an overtime period of 150 hours in a year for women only.

The Act allows male young persons of the age of sixteen or over to be employed on a shift system in much the same way as did previous legislation. In this case, however, although the total hours worked may exceed 48 in any one week, the maximum weekly limit is 56 hours, or 144 in any continuous period of three weeks. It is interesting to note also that any young person who works in a factory in collecting, carrying or delivering goods, running errands, &c., is deemed to be employed in the factory for the purposes of the Act. The present system, whereby young persons under the age of sixteen must, on being taken into employment, be certified by the Examining Surgeon as fit for employment, is maintained in the new Act.

THE COAL BILL, 1937.

[CONTRIBUTED.]

THE new Coal Bill which has passed the second reading in the House of Commons seeks to increase State intervention by the compulsory acquisition of the interest of royalty owners and by enlarging existing powers relating to the amalgamation of colliery undertakings. The Bill sets up a Coal Commission, in whom the ownership of coal is unified by vesting in them the fee simple in all unworked coal and mines of coal and certain associated minerals; also certain associated property and rights in land, with power of management. The Commission are not to engage in the operation of coal-mining, but are charged with the management and control of the property by granting mining leases and otherwise, so as best to promote "the interests, efficiency, and better organisation of the coal-mining industry."

The property of persons who do not own interests in coal or mines of coal is entirely unaffected. There are also preserved any rights enjoyed adversely to any coal or mines of coal for the benefit of other property. The existing rights in coal and mines possessed by colliery undertakings owning freehold in coal are preserved by giving the freeholders the right to a lease of that coal on the terms and conditions ruling in the district.

Each owner of "principal coal hereditaments" is to receive in compensation his due proportion of the total sum to be paid for the whole of the property. The sum of £66,450,000 is specified in the Bill as being the amount awarded by the "Greene Tribunal." Compensation is to be paid in cash raised by a loan charged on the property of the Commission and the revenues therefrom. "Subsidiary coal hereditaments" will be valued and paid for separately.

The Bill prescribes two dates—a "Valuation Date," January 1st, 1939, and a "Vesting Date," July 1st, 1942. The proposal is that between these dates each present owner shall be placed in the same position as if he had on the earlier date entered into a contract to sell his coal property to the Coal Commission at a price to be determined by valuation on the footing that the purchase shall be completed on the "Vesting Date." During the interim period the valuations of individual holdings for compensation will be made, and meanwhile the present owners will continue to receive their royalties and profits, and to manage their properties, and in so doing as vendors under a contract for sale they will have to show due regard to the eventual interests of the Commission. On the vesting date the legal ownership of the acquired property will pass to the Commission, and power is given to the Commission to grant, subject to certain safeguards, all rights, such as way-leaves, in relation to underground strata other than coal, which may be required for the purpose of working the coal.

The proposals as to compensation are that there shall be (1) a Central Valuation Board whose functions are to include the division of Great Britain

into valuation regions and the allocation to each of a part of the £66,450,000 specified; and (2) a Regional Valuation Board for each valuation region, charged with the duty of assessing the value of each holding in the region, of the principal coal hereditaments and subsidiary coal hereditaments. Every claimant for compensation must register, under the Coal (Registration of Ownership) Act, 1937 (as amended) particulars of the holding in which he is interested, and serve a notice of claim for compensation on the Commission. All costs properly incurred in registering particulars of holdings, in claiming compensation, and in the ascertainment of the person entitled, are payable by the Commission if incurred within the prescribed dates, subject to certain specified limitations. A notice of claim must be served on the Commission within six months beginning on the valuation date, and provision is made in the Bill for the Commission to make payments on account of compensation before the vesting date.

INTERNATIONAL CONGRESS ON ACCOUNTING, BERLIN, 1938.

At the instance of the Accountancy Profession in Germany, an International Congress on Accounting will be held in Berlin from September 19th to 24th, 1938, and the accountancy bodies in Great Britain and Ireland have accepted the invitation of the President of the Congress, Herr Dr. Monckmeier, to participate in the proceedings.

Eight subjects will be considered by the Congress, and each country is requested to prepare a "national" paper on each of the subjects. The views expressed in "national" papers under each heading will be consolidated in a "general" paper, and the writers of the general papers will be responsible for their submission to the Congress in a short introductory speech. The writers of the "national" papers will be given a special opportunity of participating in the discussion.

At the invitation of the President of the Congress the allocation of papers so far as bodies in Great Britain are concerned has been arranged as follows.

General Papers.

Auditing of Concerns : Mr. C. J. G. Palmour, F.C.A., The Institute of Chartered Accountants.

Auditing by and for Tax Authorities : Mr. A. Stuart Allen, F.S.A.A., The Society of Incorporated Accountants and Auditors.

National Papers.

1. Matters Affecting the Profession : Sir Nicholas Waterhouse, K.B.E., F.C.A., The Institute of Chartered Accountants.

2. Business Planning : Mr. D. D. Blackwood, F.C.R.A., The Corporation of Accountants.

3. Audit of Annual Accounts : Mr. Richard A. Witty, F.S.A.A., The Society of Incorporated Accountants and Auditors.

4. Company Law : Professor John Loudon, M.A., C.A. (Glasgow), Scottish Chartered Accountants.

5. Auditing of Concerns : Mr. S. R. Cooper, M.C., F.C.A., The Institute of Chartered Accountants.

6. Auditing by and for Tax Authorities : Mr. Harold R. Oxborrow, F.L.A.A., The London Association of Certified Accountants.
7. Other Auditing and Advisory Work : Mr. E. Cassleton Elliott, F.S.A.A., The Society of Incorporated Accountants and Auditors.
8. Methods of Computing Cost and Control of Prices by Public Authorities : Sir Harold Howitt, D.S.O., M.C., F.C.A., The Institute of Chartered Accountants.

THE OFFICERS' ASSOCIATION.

The annual meeting of the Council of the Officers' Association (the Officers' Department of the British Legion) was held at 8, Eaton Square, London, S.W.1, on December 15th. General Sir Herbert A. Lawrence, G.C.B. (President) was in the chair. A letter was read from the Minister of Pensions conveying his appreciation of the Association's work.

Colonel Sir Frank Watney (Chairman of the Executive and Finance Committee) moved the adoption of the report for the year ended September 30th, 1937. In doing so he said the Widows' Trust had a capital of £62,000, but it was hoped to increase this to £75,000 to enable the Trustees to take on more cases from the waiting list. During sixteen months 37 annuities varying from £12 to £78 had been granted.

A sum of £10,000 had been taken from the General Reserve Fund to augment the funds of a Trust for disabled officers who required continuous assistance owing to general disability rather than wasting sickness.

The H. H. Wills Trust provided £1,000 per annum, from which 24 ex-officers' children were receiving post-school training for professions or other careers. It was hoped that individuals or bodies would supplement the capital of the Trust in order to benefit a larger number of children.

Nearly 60 per cent. of the total loans issued had been repaid—good evidence of ex-soldiers' desire to honour their obligations. Forty per cent. had been written off because distressful circumstances would have made refund a burden, and only £1,548 remained outstanding.

The Employment and Relief Branch had expended £11,599 during the year on disabled ex-officers and £30,664 on ex-officers who were not disabled. Extremely good work was performed by the Employment Bureau, and thanks were due to the Director of the British Legion Employment Department for valuable assistance and co-operation.

The total gross receipts, including Scotland, from January 1st, 1920, to September 30th, 1937, amounted to £3,580,230. The gross payments totalled £2,992,126. There was a deficit for the year of £10,843, against a surplus of £6,126 shown by the autonomous Branch in Scotland.

Colonel Watney concluded with a personal word of thanks to Brigadier-General Sir Archibald Home and Brigadier-General Oxley for the heavy volume of work they had carried out on the Association's behalf. Thanks were due also to the General Secretary, General Sir Sydney Crookshank ; to the Accountant, Captain H. B. Bennett, F.S.A.A. ; and to the members of the staff.

The retiring members of the Council and Executive Committee were re-elected and some new members added.

A vote of thanks to the Chairman was carried with acclamation.

ACCOUNTANT OFFICERS, ROYAL AIR FORCE.

The Air Ministry announces that an examination will be held towards the end of March, 1938, for the entry into the Accountant Branch of the Royal Air Force of qualified and experienced civil accountants. Not more than five vacancies are likely to be available. Candidates must have attained the age of 22 and not have attained the age of 26 on July 1st, 1938. No relaxation of these age limits will be permitted in any circumstances.

The competition will be held in London by the Civil Service Commissioners, and will include (1) an interview before a selection board at which stress will be laid on character and accounting experience and special weight given to the type of experience provided by articled service ; (2) an examination in English and general knowledge (essay, précis and questions to test knowledge of matters of current importance) ; and (3) an examination in book-keeping and accountancy (excluding partnership and executorship accounts), the standard being that of the Final examinations of the Institute of Chartered Accountants and the Society of Incorporated Accountants and Auditors.

The emoluments of an Accountant Officer consist on the one hand of pay and on the other of accommodation, fuel, light, rations and personal attendance, provided in kind. When the latter are not available cash allowances are granted in lieu. The total of the pay and cash allowances of Accountant Officers range at present rates from about £363 a year for an officer on first entry to £1,131 a year for a married officer in the highest rank.

The Accountant Branch provides a permanent career. It is not, of course, possible to pledge the future, but so far as can be foreseen the Branch will be subject to no sudden changes affecting adversely the fortunes of its officers.

Officers enter the Branch on probation with the rank of Pilot Officer, and after twelve months' satisfactory service they are confirmed in their commission and promoted to Flying Officer. Promotion to the next rank, viz., Flight Lieutenant, is made, subject to qualification and suitability, after officers have attained six years' seniority as Flying Officers. The next step is to the rank of Squadron Leader, promotion to which is, subject to qualification and suitability, by seniority, but weighted by means of an ante-date in respect of general efficiency so as to give accelerated promotion to officers who have shown special merit. Thereafter promotion is by selection. It is intended that every suitable Flying Officer should be promoted to Flight Lieutenant, that nearly every Flight Lieutenant should be promoted to Squadron Leader, that the majority of Squadron Leaders should be promoted to Wing Commander, and that a substantial minority of Wing Commanders should be promoted to Group Captain. It must be understood that promotion depends on requirements, and requirements on future circumstances, but the policy of the Air Ministry is directed to ensuring to Accountant Officers a career not inferior to that indicated above.

The length of the career provided depends on the rank attained. The compulsory retiring ages, which are subject to variations, are at present—for Squadron Leaders 53, for Wing Commanders 57, and for Group Captains 60 ; any officers not attaining the rank of Squadron Leader would be retired at the age of 48.

Applications should be made to the Secretary, Air Ministry (S.7 (E)), Kingsway, London, W.C.2, for the regulations and for application forms. Completed application forms should reach the Air Ministry at latest by February 15th.

Incorporated Accountants' London and District Society.

Luncheon to Mr. Walter Holman.

On December 16th Mr. Walter Holman, the President of the Society of Incorporated Accountants, was entertained to luncheon at the Hotel Victoria by the Incorporated Accountants' London and District Society.

Mr. ARTHUR COLLINS, the Chairman of the Society, presided, and the company included :

Sir Harold Bellman, M.B.E., Mr. Percy Toothill (Vice-President, Society of Incorporated Accountants), Mr. Edward Wilshaw, J.P., Mr. W. H. Coates, Ph.D., LL.B., Mr. E. Cassleton Elliott (Vice-Chairman), Mr. C. Hewetson Nelson, J.P., Mr. Frederick Steadman (President, Institute of Municipal Treasurers), Mr. L. H. Kiek, Mr. Edward Baldry, Mr. G. R. Freeman, F.C.A., Mr. J. A. S. Collins, Mr. Godfrey M. C. Taylor, M.A., Colonel E. Geoffrey H. Cox, C.B.E., Mr. C. H. Isdell-Carpenter, O.B.E. (Secretary, Chartered Institute of Secretaries), Mr. Harold M. Barton, F.C.A., Mr. Charles Norton, Mr. A. J. Bonwick, J.P., Mr. Brian Manning, J.P. (Secretary, Chartered Accountant Students' Society of London), Mr. Richard A. Witty, Mr. J. W. Ramsbottom, M.A. (Director City of London College), Mr. Stanley Greenland, Mr. W. Norman Bubb, Mr. J. C. Rae Price, Mr. J. A. MacKerrell (Secretary, Institute of Municipal Treasurers), Mr. A. T. Hobbs (Secretary, Institution of Water Engineers), Mr. J. R. W. Alexander, M.A., Mr. J. Scott-Moore, Mr. W. T. K. Braunholz, Ph.D. (Secretary, Institution of Gas Engineers), Mr. G. Stoughton Harris, M.A., Mr. G. F. Colton, B.Sc., Mr. J. W. Webb, Mr. A. W. White, F.C.A., Mr. G. Roby Pridie (President, London Students' Society), Miss Vern Snelling, Mr. S. J. D. Berger (Secretary, Institute of Cost and Works Accountants), Mr. T. Gold, F.C.A., Mr. Arthur H. Hoare, Mr. O. R. Hobson.

Mr. A. Stuart Allen, Mr. F. P. Allen, Mr. James A. Allen, Mr. John Allen, Mr. J. W. Allen, Mr. R. C. Allen, Mr. C. F. Ambrosoni, Mr. M. T. Amos, Mr. E. Victor Amsdon, F.C.A., Mr. H. G. Ayres, Mr. W. J. Back, Mr. G. H. Bailey, Miss M. L. Baker, Mr. G. E. Barrett, Mr. L. J. Benjamin, Mr. H. B. Bennett, Mr. C. V. Best, Mr. Herbert Blieq, Mr. C. N. Bourne, Mr. E. G. Bourne, Mr. C. Brodie, Mr. W. Campbell Brodie, A.C.A., Mr. D. M. Butcher, Mr. H. Cashman, Miss M. J. Cheney, Mr. Alan F. Chick, Miss E. A. Clark, Mr. E. C. Coleman, Mr. W. J. Crafter, Mr. A. S. Darr, Mr. F. W. Derbyshire, Miss J. G. Derry, Mr. F. J. Duck, Miss M. East, Mr. J. Penry Edwards, Miss A. J. Farr, Mr. M. J. Faulks, M.A., Mr. James C. Fay, Miss G. M. Fish, Mr. A. E. Foley, Mr. F. G. Foley, Mr. W. J. Freeman, Mr. E. J. P. Garratt, Mr. A. A. Garrett, M.B.E., Mr. D. F. Goode, A.C.A., Mr. J. L. Goodwin, F.C.A., Mr. G. J. Hakim, Mr. F. Hales, Mr. F. Handel, Mr. S. J. Harris, Mr. P. G. Hartley, B.A., Mr. C. A. G. Hewson, Mr. C. A. Holliday, Mr. Bruce Holman, Mr. William J. Holman, Mr. A. E. Howell, Mr. A. H. Hughes, Mr. M. T. Hughes, Mr. A. V. Hussey, Mr. F. S. Jackson, F.C.A., Mr. W. J. Jackson, Mr. H. I. W. James, Mr. H. S. Janes, Mr. W. Harold Jeffery, Mr. F. Martin Jenkins, Mr. T. N. Jennings, Mr. A. T. Keens, Miss R. G. Kendall, Mr. S. G. Kelsey, Mr. E. L. W. Kern, Mr. Paul B. Kirby, Miss I. M. Leeper, Mr. C. W. Legge, Mr. H. J. Lester, Mr. George T. Little, Mr. L. T. Little, B.Sc., Mr. H. S. Littlejohn, F.C.A., Mr. F. J. Lock, Mr. Leslie McIntosh, Mr. D. Mahony, Mr. Stanley Makin, Mr. L. G. Mansfield, Mr. F. R. Marshall, Mr. H. Menzies, Mr. W. Douglas Menzies, Mr. D. F. Middlemiss, F.C.A., Mr. A. J. Monro, Mr. Hector J. Monro, A.C.A., Mr. H. S. Monson, Mr. J. H. Monson, Mr. C. Herbert Moore, Miss M. E. Moore, Mr. S. T. Morris, Mr. W. H. Moss, Mr. W. E. Mullen, Mr. H. P. Musgrave, F.C.I.S., Mr. F. J. Nash, Mr. Arthur H. Naylor, Mr. Bertram Nelson, Mr. S. K. Nichols, Mr. William Nicholson, Miss A. H. Page, M.A.,

Mr. George Palmer, Mr. F. Paul, Mr. S. D. Payne, Mr. C. B. Pearce, Mr. Douglas Petrie, Mr. D. H. Pexton, Mr. R. P. Phillips, Mr. J. W. Ping, Mr. H. O. Randall, Mr. L. B. Randall, Mr. Sydney H. Robb, Mr. F. L. Rouse, Mr. T. A. Ryder, F.C.A., Miss E. M. Salmon, Mr. Bindon Scott, Mr. J. S. Scrimgeour, O.B.E., Mr. H. E. Seed, A.C.A., Mr. M. E. Seymour, Mr. A. J. H. Shay, Mr. H. Basil Sheasby, Mr. N. Keith Silver, Mr. G. P. Simon, Mr. Ronald Staples, Mr. A. H. Stevens, Mr. William Strachan, Mr. W. G. Strachan, Mr. D. W. Stuart, Mr. Kenneth G. Taylor, Mr. H. E. Thomas, Mr. Maurice Thompson, Mr. H. S. Tovey, Mr. H. E. Twilley, Mr. W. Vidgeon, Miss F. Wakeford, Mr. C. N. Walter, Mr. A. D. Ward, Mr. C. Mortimer Warren, Mr. M. Langton Warren, A.C.A., Mr. L. A. Watson, Mr. M. Widdowson, Mr. C. W. Wildy, Mr. H. Winecott, Mr. F. R. Witty, and Mr. Ernest W. Wright.

The CHAIRMAN, in proposing the health of the President of the Parent Society, Mr. Holman, said that some might say, why a luncheon in Christmas week, and why Mr. Walter Holman? Well, Christmas week was inevitable, and so was Mr. Walter Holman as the President of the Society. It was obvious from the very first that his talents were such as would in due time bring him to the seat of authority in the administration of the affairs of the Society, and it was no surprise to those who had followed his career that he should have attained to that position to-day. Mr. Holman's record of service to the Society was both long and honoured. He had occupied every post below that of President which it was possible for any member to occupy. Two or three years ago he was his (the Chairman's) predecessor in the chair to represent the London Section of their Society's membership, and recently he was the head of the delegation which visited the United States to attend the Jubilee Conference of the American Institute of Accountants. In the course of his reply, Mr. Holman was hoping to interest them in some of his observations during that visit. He was quite sure that anybody who had had the opportunity of a trip to the United States had benefited by it, no matter what his calling might be. He himself thought that some knowledge of American conditions was essential to a good education. He did not intend to keep those present from hearing Mr. Holman except for one moment more, while he told them quite a short story of the state of things in the United States during the crisis of 1929. He had an American friend over to see him about six months after the peak of the crisis, and he (the speaker) was signing a cheque. He said to his friend, "I hope that does not come back marked 'No funds.'" His friend replied, "In my experience, six months ago in the States you were lucky if your cheque did not come back marked 'No Bank.'" (Laughter.) He would conclude by wishing Mr. Holman, their principal guest, everything that was good, everything that would bring happiness and prosperity at Christmas time and in the coming year.

President's Speech.

MR. WALTER HOLMAN, who was received with applause, said that the cordiality with which they had received the toast proposed by the Chairman led him to think that they had accepted the very kind words he had used as representing the truth,

the whole truth, and nothing but the truth. He believed that their Chairman was not incapable of reaching those rare and unfrequented heights of truth, and he would be ungracious indeed if, on this red-letter day, he were to say or even hint that on that occasion he had failed to reach, or had overreached them; but he hoped the Chairman would not mind if he said that he had proved himself to be an accomplished illusionist. (Laughter.) Not that he objected to that, because there was an old saying, "A pleasant illusion is better than a harsh reality," and for that day he was content that they should believe the pleasant illusion which, with incomparable skill, the Chairman had woven for them, and would try himself to forget, just for that day, the harsh reality which hovered in the background.

He knew that that function was being held in honour of the President of the Society of Incorporated Accountants rather than of the man who today was doing his best to fill that proud position; but all the same, he hoped they would pardon a personal word. However great were his disqualifications for the office, at least his roots went deep into the history of the Society. His father was one of the earliest members of the Society and practised in the City of London as an Incorporated Accountant for over 30 years; his character and his capacity qualified him to occupy the highest office in the Society and would doubtless have led him there if he had been as fortunate in his partners and assistants as his son had been.

Although his roots were deep in the past history of the Society, they received their proper nourishment from the Students' Society. His mind went back to pre-war days in the upper room in King Street, and to post-war days in the upper room in Gresham Street, and he acknowledged what many others there could do, that it was in and from the Students' Society that they obtained the inclination to extend their interests beyond their immediate work to the Society and to the profession of which it was a part. It was not unfair to deduce from that, that the route to the Society's Presidential chair ran *via* the Students' Society and the London District Society.

The President of the Society, like the head of any professional body, was a representative rather than an individual. He was the voice of his Council, the mouthpiece of its decisions, and whatever authority and power he possessed he derived from his colleagues. His function was different from that of the staff whose work it was to carry out the Council's instructions and give practical effect to its decisions. The President was, therefore, ineffective without the co-operation and assistance of the Society's permanent staff, and he desired to acknowledge his indebtedness to and his reliance upon the whole of the staff at Incorporated Accountants' Hall. It was against the spirit of a team to mention individuals, and he was referring to no one by name. If he were to be so indiscreet as to give one name, all the men would be jealous—and most of the girls. (Laughter.) They would not expect or desire him to be more explicit.

It was recorded of Lord Curzon that when he returned from his term of office as Viceroy of India, he treated the House of Lords to a very long, very detailed, very elementary lecture on India, even producing a map to enlighten the supposed ignorance of his audience which included at least four Peers who had also been Viceroys of India. When at last the lecture was finished one of them rose and tersely reminded Lord Curzon that he was not the only one who had been to India. (Laughter.) He was not going to imitate Lord Curzon in regard to the recent visit of the Society's delegates to America, because he realised that many of those present had been there and knew far more of Canada and the United States of America than he who was able to spend less than a fortnight in each country. He would confess also that, short though the time was, much of it was spent in other than intellectual pursuits. (Laughter.) Within the narrow limits of an after-luncheon speech it would be impossible to describe their trip, the places visited and the hospitality enjoyed. He had time only to acknowledge gratefully the cordial reception given to them by their professional brethren wherever they went, and to express on behalf of them all, their thanks to the members of the Society for the opportunity of representing them on so happy an occasion.

He wanted to speak for a few minutes about conditions in America. While they were there, the Stock Markets collapsed, there was a panic on Wall Street, and while it was not suggested that that state of affairs was caused by the Accountancy Convention which was in session, it was arranged that the Chairman of the New York Stock Exchange should speak at the Official Banquet, and everyone was agog to hear his views on the situation. There were nearly 2,000 people at the banquet and as the speech was broadcast there was an audience of many millions waiting anxiously to hear an authoritative pronouncement on the crisis. In a long speech, the speaker, to their profound disappointment, contrived to say nothing beyond elementary platitudes, which suggested that American public life was not unlike public life in this country. (Laughter.) It would be obvious that the situation in America was not capable of any short or simple explanation; many causes contributed to produce the crisis and he could only hint at those which came within the range of his own observations and discussions. It was certain that many American industrialists and financiers were profoundly distrustful of President Roosevelt and acutely nervous of his policy—or rather his policies, because the frequent changes and the uncertainty of what and when the next change would be, had done much to undermine and destroy confidence, and so to precipitate the crisis. According to his critics, the President's varying policies had this in common, that they all seemed to involve vast expenditure of money, and for governments, as for individuals, there could ultimately be only one end to recurring failures to balance the annual Budget. He himself saw one aspect of that expenditure in a memorable visit to Washington. He was not referring so much to the new Government buildings

which were replacing the old, as to the huge additions to existing buildings necessitated by the extension of administrative incursions into the affairs of the community. He was told that in Washington alone, employees in the public service numbered over 110,000 and the number of motor cars parked everywhere made the estimate credible. Incidentally, it was interesting to see the large numbers of cars parked outside every factory. A large percentage of the workpeople must possess cars, even if they did not own them—a state of things not unknown in this country—and there were many other evidences of the apparently higher standard of living in America than was enjoyed here. He said "apparently higher standard of living" advisedly because a comparison between the standards of living of the two countries must take into account the social services here which hitherto had had no parallel in the United States of America. Some of the legislation sponsored by President Roosevelt was of the social type which had been introduced here gradually over many years, and it might well be that the present American situation was due to burdens placed on industry and commerce beyond their capacity to maintain—the burdens of high wages and increased costs together with the increased taxation necessitated by the growing cost of national activities and of administration.

It was at least true that the taxpaying part of the community in America resented what they regarded as the penal taxation imposed. The taxation of undistributed profits seemed particularly hard to Americans who had not previously been subjected to the process of taxing profits at the source, and who had not therefore learned how difficult it is to create reserves out of undivided profits after tax has been paid on them. Further, the extension of the taxation of capital profits was a hard blow to a people brought up to invest more for capital increase than for immediate income. And he wondered whether this resentment against taxation might not have given an impetus to the inclination to speculation which was part of the make-up of the American temperament. It was certain that excessive speculation was one of the major causes of the disastrous slump in 1931, and it was possible that the same factor might have been operating to produce the slump—or the "recession" to give it its new name—under which America was now suffering.

He had not emphasised those factors in the present situation in any spirit of criticism or of complacency; on the contrary they seemed to him to have their counterpart in conditions here, and the attempts of the Americans to solve their problems merited our careful and sympathetic interest. No visitor to America could but be struck by the confidence with which the people faced and attacked their problems, and the faith in their own future, which was implicit in the scale of all their undertakings. His lasting impression of the Americans he met was of their kindness to them because they were British, of their interest in everything relating to this country and of their love of London. His hearers would, therefore,

understand why he felt as warmly towards the Americans as he did towards them for their generous welcome and reception of him that day. (Applause.)

Mr. E. CASSLETON ELLIOTT said that the toast list was finished, but it would be discourteous of them not to drink to the health of their Chairman. Before doing so, however, he would like to express on behalf of all of them their admiration for the very thoughtful speech to which they had just listened. (Hear, hear.) They were grateful to Mr. Holman for the way in which he had dealt with his subject and they cordially accepted all that he had said in regard to America. Now with regard to the Chairman, Mr. Arthur Collins was an old friend of his. He thought he got to know him best, however, when they sailed together to America. He well remembered when they were invited to dine with certain prominent officials in Ottawa. They all thought it was a perfectly friendly dinner in their honour, and they accepted the invitation in that spirit. After dinner, somebody got up and suggested that Mr. Collins should explain to them the methods of municipal accountancy in this country. Mr. Collins was a little surprised, but he got up and for an hour expounded, in that masterful way of his, some of the experience he had gained in municipal accountancy. At the end of it he (Mr. Elliott) said, "Well, Arthur, you have done extraordinarily well; I suppose this means another client." He replied, "Well, lad, tha' never knows." (Laughter.) They all had a great affection for Mr. Arthur Collins, and they were delighted to see him there that day in the chair.

The CHAIRMAN in reply to the toast, said that although on most of those occasions the chairman might say that the proposer of the toast had been romancing, he felt himself unable to contradict on any single point. (Laughter.) He appreciated the very kind personal references Mr. Cassleton Elliott had made, and he thanked them all most warmly for the way in which they had received the toast. Everyone present, he hoped, would have a very merry Christmas and a bright and prosperous New Year.

Society of Incorporated Accountants and Auditors.

Canadian Committee.

Mr. Henry Barber, J.P., Toronto, who has been a member of the Canadian Committee since 1905, recently intimated his desire to resign. His resignation has been accepted and the Council of the Society have expressed to Mr. Barber their cordial thanks for his long services to the Society in Canada. There was also another vacancy on the Committee, which arose on the death of Mr. John Hyde, and the two vacancies have been filled by the appointment of Mr. K. A. Mapp, A.S.A.A., Toronto, and Mr. W. J. Saunders, F.S.A.A., Toronto.

The Committee now consists of Mr. A. F. C. Ross, F.S.A.A., Montreal; Mr. G. T. Clarkson, F.S.A.A., Toronto; Mr. K. A. Mapp, A.S.A.A., Toronto; Mr. W. J. Saunders, F.S.A.A., Toronto.

Obituary.

SIR ALBERT WILLIAM WYON.

With regret we record the death of Sir Albert William Wyon, F.C.A., which occurred on December 1st, at the age of 68. At the time of his death Sir Albert was the senior partner of Messrs. Price, Waterhouse & Co., having been associated with that firm during the whole of his business career. He qualified with honours in the year 1891, and was admitted into partnership in 1895. In 1933 he was elected a member of the Council of the Institute of Chartered Accountants. During the War Sir Albert Wyon was one of the two auditors of railways on behalf of the Government and Chairman of the Treasury Committee on the form of public accounts. He was also a member of the Board of Referees. Sir Albert took an active interest in the work of the National Trust, of which he was a generous supporter. The funeral service, which took place at the Golders Green Crematorium, was conducted by the Archdeacon of London, and was attended by many members of the accountancy profession. The Institute of Chartered Accountants was represented by Mr. Alan S. MacIver, Assistant Secretary, and the Society of Incorporated Accountants by Mr. L. T. Little, Deputy Secretary.

JOSEPH NATHANIEL NUTT.

We regret to announce the death on December 9th of Mr. J. N. Nutt, F.S.A.A., senior partner of Messrs. Nutt, Horne & Co., Derby and Ripley. Mr. Nutt became a member of the Society of Incorporated Accountants in 1893, when he was already a partner with his father in the firm which was then known as J. Nutt & Son. When the Incorporated Accountants' District Society of Nottingham, Derby and Lincoln was founded in 1910, Mr. J. N. Nutt was a member of the original Committee. He maintained an active interest in the affairs of the District Society until a short time ago, and was President from 1926 to 1928. The funeral service, which took place at Littleover Parish Church on December 11th, was attended by Mr. Stanley I. Wallis F.S.A.A. (Honorary Secretary of the Nottingham, Derby and Lincoln District Society); partners and members of the staff of Messrs. Nutt, Horne and Co.; and representatives of the Derby Chamber of Commerce, Derby Corn Exchange, Derby Chamber of Trade, and the Hartington Lodge of Freemasons.

ALFRED LIONEL GEE.

It is with regret that we announce the death, at the early age of 54, of Mr. Alfred Lionel Gee, the editor of *The Accountant*. Mr. Gee was for many years associated with his father, Mr. Robert Gee, who was the editor and proprietor of *The Accountant*, and upon his father's death in 1913 Mr. Alfred Gee became editor of that paper, and managing director of Gee & Co. (Publishers), Ltd. In private life Mr. Gee was interested in mechanics and photography and had a great love of music. He had an attractive personality and a generous disposition.

HERBERT VICTOR LEE.

We have learned with regret that Mr. H. V. Lee, O.B.E., F.S.A.A., City Treasurer of Peterborough, died on December 21st, at the age of 51. Mr. Lee qualified as an Incorporated Accountant in 1912, having been awarded the Society's Gold Medal on passing his Final examination. In the course of a varied career Mr. Lee obtained a wide experience of municipal and commercial accountancy. He served as a Paymaster in the Royal Naval Reserve

from 1914 to 1918, and was appointed City Treasurer of Peterborough in January, 1933.

FRANK MAHON.

Mr. Frank Mahon, A.S.A.A., senior partner of Messrs. F. J. Clarke & Co., Incorporated Accountants, Doncaster, died on December 1st, at the age of 58. Mr. Mahon became a member of the Society of Incorporated Accountants in 1920. He had been in practice since 1918 when he was taken into partnership by his former employer, the late Mr. F. J. Clarke, F.S.A.A. Mr. Mahon later took into partnership Mr. G. G. Oates, Incorporated Accountant, by whom the practice will now be carried on. Mr. Mahon was secretary of the Doncaster Chamber of Trade from its formation eighteen years ago until shortly before his death. He was a churchwarden of Doncaster Parish Church, Superintendent of the Sunday Schools, and Treasurer of the Doncaster Branch of the Church of England Men's Society. The funeral took place on December 4th. A large congregation included a number of representatives of the Doncaster Chamber of Trade and of other organisations with which Mr. Mahon had been associated.

WILLIAM EDWARD HOLLAND.

We regret to record that Mr. W. E. Holland, F.S.A.A., died on November 29th, at the age of 65. Mr. Holland was a partner in Messrs. Oldham, Holland and Co., and had carried on public practice since 1897. He was a freeman of the City of London, a member of the Court of Common Council, and a member of the Court of the Basketmakers' Company. He was Chairman of Medway Brickworks and Quarries, Ltd., and a director of several other companies.

CLEMENT KEYS.

We announce with regret the death of Mr. Clement Keys, F.C.A., F.S.A.A., senior partner of Messrs. Clement Keys & Son, Birmingham and West Bromwich. Mr. Keys became a member of the Institute of Chartered Accountants in 1887, and of the Society of Incorporated Accountants in 1913. He carried on practice in Birmingham for over fifty years, and was a well known Freemason.

PROFESSOR GEORGE WILLIAM DANIELS.

Professor G. W. Daniels, who died on December 17th, at the age of 59, was well known to Incorporated Accountants in Manchester. For many years he maintained friendly contact with the Incorporated Accountants' Manchester and District Society and was a frequent guest and speaker at its annual dinners. As a youth he had few advantages, but at an early age exhibited a studious inclination and a particular aptitude for economic problems. The greater part of his career was spent at the Victoria University of Manchester, first as an undergraduate, then as a lecturer, until in 1921 he was appointed Professor of Commerce in that University in succession to Sir Sydney Chapman. Since 1927 he had been Stanley Jevons Professor of Political Economy, and he held the office of Dean of the Faculty of Commerce for seventeen years; more recently he was Pro-Vice-Chancellor. The author of a number of books and papers on economics, he had a wide knowledge of the cotton and other Lancashire industries. As independent Chairman of the National Conciliation Board in relation to the co-operative movement, he dealt successfully with a number of disputes. Robust in character and holding forceful views, he was a devoted son of Manchester, and a love of that city expressed itself in his long and faithful service to Manchester University.

Correspondence.

N.D.C. in relation to Management Remuneration and Investment Income.

To the Editors, *Incorporated Accountants' Journal*.

Sirs.—Referring to Mr. Back's lecture as reported in your December issue, there are two points he appears to make in connection with the N.D.C. which I find some difficulty in following.

1. *Management Remuneration.* What is meant by the words "If the remuneration the directors get is less than these figures (presumably he refers to £1,500 and £15,000) the smaller amount represents the allowance"? He appears to be treating of directors with a "controlling interest"—as provided for in Rule 11, but as I read the Rule, £1,500 is a minimum figure for the directors' remuneration, and I fail to see where he gets his statement from that "a smaller sum represents the allowance." He does not say so, but has he in mind directors who have not a controlling interest and are not whole-time service directors? But in such a case the £1,500 and £15,000 provisions do not surely apply at all. Hence my difficulty.

2. The other point is in the paragraph, page 105, "Investment Companies," where he says "Investment income received by traders or companies outside their main business is not subjected to N.D.C., which is levied on business profits and is expressly exempt by Rule 7 of the Fourth Schedule, &c., &c." I do not read Rule 7 that way at all. That Rule is in two parts (a) and (b): the former deals with investment companies *inter alia*; the latter (b) deals expressly with "any other trade or business," &c., and provides, not that such a business is exempt from including in its assessable (N.D.C.) profits income received by way of dividend, as Mr. Back seems to say, but that such income shall be included where the business in question has a controlling interest in the company paying the dividend, unless that company has itself been assessed to N.D.C. or is not liable to the same. It puts it in a different form, but the meaning, as I see it, is as stated here. A company *not liable* obviously means one that has either not made £2,000 profits or has been included under sect. 22 (2) of the Finance Act, 1937, with the parent company. I do not know if I am right, but I cannot at the moment see with Mr. Back hereon.

Yours faithfully,

FRED. E. HAYWARD, A.S.A.A.

London.

December, 1937.

[With reference to the above, Mr. Back has sent us the following reply :—

"(1) The paragraph in the lecture relates to director-controlled companies. Rule 11 does not authorise any addition to the remuneration actually charged in the accounts; it is a restrictive clause only and limits the amount which may be included in the computation of profits for assessment to N.D.C. to a certain maximum amount.

"(2) Rule 7 provides that the income received from investments by businesses other than those specified (referred to shortly in the lecture as investment companies) shall be included only if received from a company in which the first business has a controlling interest and only then if the second company is not itself liable to N.D.C. In the case, therefore, of an ordinary trader's normal investment income, there is no liability to N.D.C. in his hands.]

Yorkshire Incorporated Accountants.

ANNUAL DINNER.

The annual dinner of the Incorporated Accountants' District Society of Yorkshire was held at the Queen's Hotel, Leeds, on December 3rd. Mr. ALFRED SCHOFIELD (President of the District Society) occupied the chair. There was an attendance of over 200 members and guests, including the Lord Mayor of Leeds (Alderman J. Badley); Mr. Walter Holman (President, Society of Incorporated Accountants) and Mr. A. A. Garrett, M.B.E. (Secretary); His Honour Judge Frankland; His Honour Judge Stewart; Major J. Milner, M.P.; Mr. Vyvyan Adams, M.P.; Sir Enoch Hill, J.P. (President, Chartered Institute of Secretaries, West Yorkshire Branch) and Mr. H. C. Wood (Honorary Secretary); Mr. A. Greaves (Chairman, Yorkshire Branch, Auctioneers' and Estate Agents' Institute); Mr. E. Laycock, O.B.E., Mr. S. J. Batchelder and Mr. F. J. F. Curtis (Vice-President, Secretary and Honorary Solicitor of the Chamber of Commerce); Sir Montague Burton, J.P.; Professor J. H. Richardson, M.A.; Mr. A. E. Wheeler (Registrar, Leeds University); Mr. George Guest (Director of Education); Mr. F. S. Swaby (Chief Constable); Mr. Clifford Bowring (Official Receiver); Mr. C. Bullwinkle (Principal Inspector of Taxes, Leeds area); Mr. G. H. Cross, Mr. T. Dunsmore, Dr. A. V. Tranter, Mr. T. W. MacLeod, Mr. R. H. Lee, Mr. T. W. Wainhouse and Mr. J. Frame (Inspectors of Taxes); Mr. W. J. Ball, A.S.A.A. (City Treasurer of Leeds); Mr. R. V. N. Wiggins (Agent, Bank of England); Mr. O. D. Hamer (Manager, Lloyds Bank Ltd.); Mr. M. Marshall (Manager, Barclays Bank Ltd.); Mr. C. A. Andrews (Manager, Midland Bank Ltd.); Mr. H. Partington (Manager, National Provincial Bank Ltd.); Mr. P. H. Christie (Manager, Martins Bank Ltd.); Mr. J. A. Thompson (Manager, Yorkshire Penny Bank Ltd.); Mr. G. H. Austin, Ph.D. (Leeds College of Commerce); Mr. George Taylor (Cockburn High School); Mr. B. A. Farrow (Roundhay School); Mr. W. E. Foulds (Manager, Leeds Permanent Building Society); Mr. J. E. Hibbert (Manager, Halifax Building Society); Mr. G. H. F. Nelson (Manager, Leeds and Holbeck Building Society); Mr. L. N. Pratt (Manager, Provincial Building Society); Mr. K. N. R. Vine (Assistant Secretary, Leeds and District Chartered Accountants' Students' Society); Mr. Edmund Lund, M.B.E. (President, Incorporated Accountants' District Society of Cumberland and Westmorland); Mr. G. R. Lawson, B.Com. (President, Bradford District Society) and Mr. M. W. Hustwick (Honorary Secretary); Mr. H. Smith and Mr. Halvor Piggott (President and Honorary Secretary of the Manchester District Society); Mr. C. Percival Barrowcliff (President, Newcastle-upon-Tyne District Society), and Mr. J. W. Richardson (Honorary Secretary, Sheffield District Society).

Sir ENOCH HILL, J.P., F.C.I.S., who submitted the toast of "The City of Leeds," said not sufficient advantage had been taken of the fact that Leeds was midway between the East and West coasts. He was one of those who thought, perhaps with little justification, that the time might come when there would be a waterway through Leeds to shorten immensely the journey from Northern Europe to the United States of America. Leeds, Sir Enoch added, might be regarded as the Mecca of building societies. There was no place where the custom and practice of home ownership had been put into operation more than in Leeds. One of the guarantees for the continued welfare of the city lay in the fact that more

than 10,000 house-owners in Leeds were entitled to the bit of land on which their homes were built.

The LORD MAYOR OF LEEDS (Alderman J. Badley), in reply, said that in the last ten years Leeds had spent over £6,000,000 in improving the city and its streets. During his association with the City Council over £7,000,000 had been utilised in providing for Leeds one of the best water supplies in the country.

His Honour JUDGE STEWART, who proposed "The Society of Incorporated Accountants and Auditors," said Mr. T. W. Dresser, Honorary Secretary of the Yorkshire District Society, had, with characteristic efficiency, supplied him with a mass of information relating to the Society and its manifold activities. This had kept his intellectual appetite quiet ever since. The membership of the Society was now about 7,000. It was increasing at the rate of nearly 300 a year. The average number of candidates taking the Final examination for the three years 1934-5-6 was 780, and of those only 47 per cent. succeeded. The total membership of the Society 50 years ago was under 500. The Society had grown in numbers, in prestige and in importance by leaps and bounds. What was the explanation? He thought the answer was twofold. First, there was a demand and the Society satisfied it. Secondly, the Society saw to it that its members were persons of reliability and integrity. The late Lord Warrington, who but recently passed away at the age of 86 and of whom the Master of the Rolls said, referring to his death, "He was a man whose judgments were models of economy of language and clarity of thought, whose courtesy and kindness as a Judge mirrored the kindness of his character in private life"—the late Lord Warrington held in 1907 that the term "Incorporated Accountant" did mean a member of their Society, and conferred upon the members of the Society the privilege of being looked upon by persons who had to deal with accountants as holding a certain definite status indicating reliability and integrity. That tribute was paid to the Society as long ago as 1907. Now in 1937, after an interval of 30 years, the Society had grown enormously and it was as true to say to-day as it was then that a mark of membership was reliability and integrity. What was the explanation of the demand which had led to such an amazing growth in the Society's membership and in its importance? It was surely to be found in the contrast between the present-day world and the world of half a century ago. Contacts to-day were infinitely more easily made. The world had shrunk in size to but a fraction of what it was in those far-distant days, such had been the acceleration of every conceivable mechanical means of transport and communication—for instance, wireless, telephones and telegraphs. Dr. Temple, the Archbishop of York, in an address to students of the University a few days before, had said: "Of the world of to-day, in contrast with that of the Victorian era, we could not proceed on our ways as separate individuals nor as families nor as members of cities, without our being cognisant of our actions producing all manner of other relationships." We were far removed from those simple days when industrialism was represented by hewers of wood, drawers of water, sewers of skins, and the like. Keenly competitive production led to the application of science to industry, to specialisation, to the close study of economics as applied to industry, to the increasing necessity for statistical information and to the need for sound financial guidance. It was here that accountants had come in, performing needed services, becoming necessary cogs in a machine which was ever becoming more intricate and perhaps more delicate; at any rate, more highly strung. In this new world in which we moved

and had our being, it was sometimes said that the rights of the individual were not sufficiently safeguarded. He was pleased to read in the Society's journal for November that their President, on October 1st, at the dinner when the District Society of Sheffield celebrated its fiftieth anniversary, was reported as having said that "In the last 50 years local and national authorities had taken a larger and larger share in the individual life of citizens. The extent of it was illustrated in the enormous growth of the social services, in the Acts for the protection of the workers, in the services relating to health, unemployment and pensions, and in those marketing schemes in which the State was taking a direct hand, both in production and in distribution. The effect of all this was that there were increasing numbers of executive and administrative staffs, ever-increasing control and a gradual lessening in the area for the exercise of creativeness, initiative and independence." Mr. Holman went on to say that in his view the existence of a profession which was independent, which was not subject to outside control, a profession which used its freedom with a due sense of responsibility, had a great part to play in preserving the ideal of the value of the individual against those ideals which were inherent in communal activity. Only last week Lord Blanesburgh, speaking at a Leeds Law Students' annual dinner, was considering what should be the qualities of a man who practised in the legal profession. Among those qualities he put two at the forefront. The first was clear thinking. In that connection he quoted a saying of Lord MacNaghton, who said "First impressions are often interesting, but second thoughts are often best." The next quality was "the safeguarding of the rights of the individual." They should always consider, secure and vindicate against all odds the rights of the individual. So, thinking clearly and jealously guarding individual rights, accountants marched shoulder to shoulder with the great legal profession. In this changing, revolutionary world of to-day we Britons still pursued the even tenor of our way, hastening slowly and always giving second thoughts free play. The consequence was that we had adapted ourselves to altered circumstances and, thank God, the individual here still was a name and was not merely a number. Continuing, his Honour said that in the June number of the *Incorporated Accountants' Journal* he saw an article on the "Internal Disputes of Small Companies." It dealt with the case of a company with but two shareholders, both directors, who quarrelled and who would no longer know one another and who would not meet! Mr. Horace Davey, as Sir Horace Davey then was, was arguing before Mr. Justice Jessel, at length, that a resolution of a board of directors of a certain company was valid, although only one director and the secretary were present when it was passed, because the Articles of the company did not contain any provision for a quorum. At length he was pulled up by the Judge, who said he would like to ask him three very simple questions. "I suppose, Mr. Davey, you will admit that there must have been a meeting of the board." "Certainly, my Lord." "And you contend that in the absence of a provision for a quorum one director was sufficient?" "That is my contention, my Lord." "Then you ask me to hold that a man can meet!" Mr. Davey sat down.

Mr. WALTER HOLMAN (President of the Society of Incorporated Accountants and Auditors), who responded, expressed thanks to Judge Stewart for the kind terms in which he had proposed the toast. He confessed that when his Honour began to quote from a speech which he (the President) made recently he had as much fear and trembling as a politician would have if a constituent started to quote one of his earlier speeches, but he was reassured, and even flattered, when he learned that so

eminent a publicist as Lord Blanesburgh agreed entirely with what he had to say, and his opinion of Lord Blanesburgh had gone up by leaps and bounds. (Laughter.) He wished to express appreciation of the support received from the members of that District Society. The Parent Society functioned largely through its District Societies, of which they had more than twenty throughout the country, and the real efficiency and effectiveness of the Society largely depended on the energy with which the work of the District Societies was carried out. Among those District Societies Yorkshire took a high place, and he would like to congratulate Mr. Schofield, the President for this year, and Mr. Dresser, the Secretary, for the spade work they had put in not only in organising that gathering but also throughout the year for the benefit of members and the Society as a whole. Judge Stewart had referred to the qualifications of integrity which were the hallmark of the Society. In addition to the qualities of character required of their members, they also required technical skill, and for that purpose examinations were intentionally made, not too stiff, but sufficiently stiff to test the real capacity of their members. After members had qualified there was no reason why they should cease to be students. Indeed, no professional man should cease to be a student so long as he remained in active practice, and the Society had in recent years introduced a series of refresher courses, particularly for the younger members or for those who had been in practice for less than 10 years, in order that they might meet those in similar circumstances and refresh themselves in the principles of their work. In July next their Course would be held at New College, Oxford, and he could strongly recommend to younger members the opportunity of educational development which those courses afforded. He wanted to place before all, members and visitors alike, his ideas on the functions of a professional accountant. When he used the words "professional accountant" he meant an accountant in public practice, whether Incorporated or with any other designation, who was directly and personally responsible for his own work and who was subject to professional restrictions, such as that against advertising. His duty was to protect the investor from the unscrupulous and the inefficient; to reconcile the divergent claims of the taxpayer and the Revenue and to protect each from the other; to combat the forces of ignorance which so often led to disaster and insolvency; to work for the acceptance and adoption of the fundamental principles of accounting and economics. That summary might not be complete, but even so it was sufficient to absorb such qualities of mind and character as they might possess. He referred particularly to the fundamental principles of accounting and economics, because familiarity might lead them to take them for granted and to overlook the fact that the whole tendency of modern life was a contradiction of those principles. He thought it was fair to say that at the present time in all countries Governments and Municipalities, as well as individuals, were as disinclined as was Mr. Micawber to live up to his dictum, "Annual income £20, expenditure £19 19s. 6d. Result: happiness. Annual income £20, expenditure £20 0s. 6d. Result: misery." (Laughter.) As accountants they might reasonably consider that Mr. Micawber's allocation to reserve was inadequate but at least his intentions were good, and the principle needed in these days to be emphasised. There were, in fact, rules of financial as well as of physical health and if they, as accountants, would use their advice, their influence and their example in securing observance of them, they would be making a valuable contribution to the communities to which they belonged and on which they depended. (Hear, hear.) He was not sure whether the other matter to which he wanted to refer, namely,

taxation, could be described as a principle. It had been described in much less attractive terms, but principles were proverbially hard, uncomfortable realities and none could doubt the reality of taxation. He had already said that one of the duties of an accountant was to reconcile the divergent claims of taxpayers and the Revenue Officials, and that aspect of their work had assumed larger proportions with the introduction of a new tax, the National Defence Contribution, in the Finance Act of this year. Already they were faced with the practical aspects of the new provisions, because they applied to all accounts subsequent to March 31st, 1937, where the profits were in excess of £2,000 per annum. He thought both they, as professional accountants, and the business community had reason to be thankful that they had to apply their minds to the relatively simple provisions now operative and not to the original proposals, which promised to be a nightmare of complexity. Nevertheless, there was much to be said from a theoretical point of view for the original proposals, since the underlying purpose was to impose a levy on prosperity at a rate in direct relationship to the degree of that prosperity. In this mundane world, however, it was not uncommon to find that desirable theories broke down lamentably and completely in practice. What they had now was a tax which in comparison was simple and expedient. None the less he thought it would be found in practice that anomalies would be the rule rather than the exception and, paradoxically, one might reach the conclusion that the present impost was equitable mainly because a certain element of inequity would be found in almost every case. That was clearly not the time or the place to deal with the subject in detail. Few of them yet had any practical experience in the working of the new provisions; but he was glad that the Council of the Society had published a pamphlet on the subject, prepared by two of its members. This was intended to be a commentary on the provisions, and it was hoped that it would be found to be of practical utility to all their members. (Applause.)

Mr. TOM COOMBS, J.P., F.S.A.A. (a member of the Council), proposed "Kindred Professions." He said this was an age of amalgamation in commercial firms as well as in banks. It was the age of big business, and the development of the Joint Stock Company system with limited liability had enabled business to increase in volume and to employ capital which otherwise would have been unavailable for private enterprise. But the employment of that capital, which came to a large extent from the investing as distinguished from the trading public, demanded that there should be reasonable security given and that the safety of capital should be of more paramount interest than that of large profits. It was in this respect that accountancy and its kindred professions had a serious responsibility not only to the commercial but to the investing public. It must be apparent, therefore, that statements in the prospectuses advertised by joint stock companies should be made by those who had a personal sense of the responsibility they owed not only to themselves but to the world at large. He suggested that the standard of efficiency was greater to-day than ever it had been. He could not but feel at times that there was considerable room for improvement in the outlook of that great body which played so prominent a part in the flotation of commercial undertakings and amalgamations. He referred, of course, to the underwriters. Those gentlemen seemed to operate particularly from London. He thought there was considerable room for them in the provinces to broaden their outlook and to convince them that in the provinces they possessed solicitors, accountants and valuers whose service and

advice were just as valuable as those who seemed to enjoy a monopoly of the confidence of the underwriters. He agreed that it was up to them to assert themselves and to bring conviction, but they could not do this without the help of the banking community. If the bankers, who, after all, were those who supported the underwriters, would do their share and speak of their intimate knowledge of the capabilities and the probity of professional men in the provinces, the task that they in the provinces were faced with would be much lighter and more easy of accomplishment.

Major J. MILNER, M.P., LL.B., responded.

Mr. ALFRED SCHOFIELD, A.S.A.A., submitting "Our Guests," said machinery was playing an important part in business of the present day. There must be, however, a trained mind behind machines and the work they did, and he was not sure that the trained mind was always recognised. It was a pity that the mind of some of the leaders of the various nations of the world could not be trained, at all events in the paths of peace. (Hear, hear.)

His Honour JUDGE FRANKLAND and Mr. C. BULLWINKLE (Principal Inspector of Taxes, Leeds area) responded.

INCORPORATED ACCOUNTANTS' RESEARCH COMMITTEE.

The Design of Accounts.

Continuing the series of suggested accounts for various business undertakings, we publish this month a design of accounts relating to Cinemas and Dance Halls.

These accounts must not be regarded as model accounts but as a basis for criticism. Comments and criticisms will be welcomed and should be addressed to the Secretary of the Research Committee at Incorporated Accountants' Hall.

The Committee is grateful for criticisms received on accounts already published and trusts that readers of the *Incorporated Accountants' Journal* will also send in their comments on the accounts printed below.

CINEMAS AND DANCE HALLS.

TRADING AND PROFIT AND LOSS ACCOUNT.

CINEMA.

	£	£		£	£
I. FILMS :—			I. BOX OFFICE RECEIPTS :—		
Hire	—	—	Takings	—	—
Carriage and Transport	—	—	Less : Entertainment Tax	—	—
II. WAGES AND STATE INSURANCE :—			II. OTHER RECEIPTS :—		
Operatives and Technical Staff	—	—	Sale of Cigarettes, Confectionery, &c.	—	—
Attendants, Usherettes and Cashiers	—	—	Less : Purchases (adjusted for Stock)	—	—
Orchestra and/or Organist	—	—	Advertisements (Slides and Safety Curtain)	—	—
Variety Artistes	—	—		—	—
Sundries	—	—		—	—
III. BALANCE, carried to General Profit and Loss Account	—	—		—	—

DANCE HALL.

	£	£		£	£
IV. WAGES AND STATE INSURANCE :—			III. ADMISSION MONEY :—		
Attendants	—	—	Takings	—	—
Waiters, Waitresses and Bar Attendants	—	—	Club Subscriptions	—	—
Dance Orchestras	—	—	IV. CATERING AND BAR RECEIPTS :—		
Cabaret Artistes	—	—		—	—
V. PURCHASES (adjusted for Stock) :—			V. TOBACCO, CIGARETTES AND SUNDRIES :—		
Catering and Bar	—	—	VI. SUNDRY RECEIPTS :—		
Tobacco, Cigarettes and Sundries	—	—	Cloakrooms, &c.	—	—
VI. NOVELTIES, PRIZES, &c.	—	—	" Sponsored " Nights	—	—
VII. BALANCE, carried to General Profit and Loss Account	—	—	Advertisements and Show Cases	—	—
	—	—	Sundries	—	—

GENERAL PROFIT AND LOSS ACCOUNT.

VIII. PREMISES :—		VII. BALANCES B/d.	
Rent and Ground Rent ..	—	Cinema ..	—
Rates	—	Dance Hall ..	—
Insurance	—		
Heating, Lighting and Power ..	—		
Repairs and Renewals :—			
Buildings, Furnishings and Equipment	—		
Depreciation :—			
Buildings	—	Takings	—
Furnishings	—	Less Purchases	—
Projectors and Apparatus	—	(adjusted for Stock) £—	—
		Wages £—	—
IX. PUBLICITY :—			
Hoardings	—		
Press Advertisements ..	—		
Monthly Programmes, Hand-bills, &c.	—		
X. ADMINISTRATION :—			
Manager's Remuneration ..	—	IX. ADVERTISEMENTS :—	
Secretary's Salary ..	—	Monthly Programmes ..	—
Office Staff ..	—	X. RENTS RECEIVABLE :—	
Printing, Stationery, Post-ages and Telephone ..	—	Shops and Offices ..	—
Audit Fees	—	Flats and Houses ..	—
XI. BALANCE C/d.	£ —	Less Expenses	—
XII. FINANCE :—			
Mortgage Interest ..	—	XI. BALANCE B/d.
Debenture Interest ..	—		
Hire-Purchase Interest ..	—		
Bank Interest	—		
XIII. DIRECTOR'S FEES ..	—		
XIV. INCOME TAX AND N.D.C. ..	—		
XV. BALANCE, Net Profit ..	—		
	£ —		

VIII. CAFE :— *

Takings

Less Purchases

(adjusted for Stock) £—

Wages £—

IX. ADVERTISEMENTS :—

Monthly Programmes ..

X. RENTS RECEIVABLE :—

Shops and Offices ..

Flats and Houses ..

Less Expenses

* In certain cases, a separate Trading Account for the Café would be necessary.

Changes and Removals.

Messrs. Bobart, Baskett & Co., Incorporated Accountants, announce that the practice carried on at Salisbury Chambers, 65-66, Basinghall Street, London, E.C.2, by Mr. W. R. Baskett, and Mr. C. H. Bryant will, as from January 1st, 1938, be continued under the style of Bobart, Baskett & Bryant.

Messrs. Croydon & King, Incorporated Accountants, 7, Grosvenor Gardens, London, S.W.1, announce that they have admitted into partnership Mr. Leslie W. Gibbs, A.S.A.A., and Mr. William J. Soper, A.S.A.A., both of whom have been associated with the firm for many years. The practice will be carried on under the same style as heretofore.

Messrs. Davis & Benjafield, Incorporated Accountants, 28, Chamberlain Street, Wells, Somerset, have taken into partnership Mr. Harold E. C. Davis, A.S.A.A., the son of their senior partner. There will be no change in the name of the firm.

Messrs. Frank Haynes & Co. have removed their offices to 11, New Walk, Leicester.

Messrs. Hooper Bros. & Watson, Chartered Accountants, have removed their offices to 8, Duke Street, Piccadilly, Bradford.

Messrs. Lewis, Burrell, Clark & Co., 76, Finsbury Pavement, London, E.C., announce that they have acquired the practice of Messrs. A. E. Webster & Co. They are now practising under the style of Lewis, Burrell & Webster, Incorporated Accountants, at 22, Martin Lane, Cannon Street, London, E.C.

Messrs. Priest, Marchant & Co., Incorporated Accountants, of 3, St. Bride's House, Salisbury Square, London, E.C.4, and Kensal Rise, London, N.W.10, announce that Mr. F. W. Priest has retired from the partnership in the firm as from December 31st, 1937. The remaining partner, Mr. B. G. Marchant, A.C.A., A.S.A.A., will carry on the practice under the style of Priest, Marchant & Co., at the same addresses as hitherto.

Mr. C. N. C. Scbright, Incorporated Accountant, has removed his office to 29, Mincing Lane, London, E.C.

Mr. John Tait, Incorporated Accountant, has commenced public practice at Bank Chambers, 8, Church Street, St. Helens.

Mr. Thomas W. Watts, Incorporated Accountant, intimates a change of address to 198, Marton Road, Middlesbrough.

A partnership has been entered into between Mr. J. Langdon Wilson, C.A. (S.A.), and Mr. Patrick North, C.A. (S.A.), Incorporated Accountant. The partnership will practise under the name of Langdon Wilson & North, at Springs and Brakpan (South Africa).

UNSUCCESSFUL CLAIM FOR FRAUDULENT PREFERENCE.

In the Bankruptcy Court, before Mr. Justice Farwell, the case of *Re M. Conley (trading as Caplan & Conley) ex parte The Trustee v. Barclay's Bank Limited and Others* was decided. The following is the material portion of the judgment which has reference to the deposit of securities with a bank to secure an overdraft.

Judgment.

Mr. Justice Farwell: I propose to state, as shortly as possible, only those facts or assumptions which are necessary to make the questions at issue clear. From 1927 to February, 1931, the bankrupt carried on business in London in partnership with one Caplan, as mantle and costume manufacturers. During that period the business, which was purely wholesale, was conducted successfully at a modest but increasing profit. In February, 1931, Caplan died, and the bankrupt thereupon made an arrangement with Caplan's widow under which he took over the business and paid her £900 by instalments for her husband's share. Up to that time the partners had had a banking account at the Bedford Row branch of Barclays Bank. After the death of Caplan the partnership account was closed, and a new account, known as "No. 2 account" was opened at that branch.

After the death of Caplan, the business appears to have been far from successful; and in the last complete year of trading, that is the year ending December, 1933, the loss for the year, as shown by the balance sheet, was between £2,000 and £3,000, and eventually about the end of November, 1934, the business was closed down. On December 3rd a receiving order was made on a creditor's petition against the bankrupt and on December 6th the debtor was adjudicated bankrupt. The trade liabilities proved to be extremely large, and the trade creditors have undoubtedly suffered very substantial losses. As the result of investigations made by the trustees, it appeared that the bankrupt had committed serious offences against the bankruptcy laws, for which he was prosecuted to conviction and was sentenced to two years imprisonment.

In April, 1931, the respondent—Mrs. Conley—the wife of the bankrupt, deposited with Barclays Bank as collateral security for the firm's overdraft £500 5 per cent. War Loan, and in May, 1935, a further sum of £450 War Loan, and on each occasion she signed a memorandum of deposit; but in my judgment, by that memorandum of deposit, Mrs. Conley incurred no personal liability whatsoever, and the deposit was simply as collateral security for the firm's indebtedness to the bank.

In February, 1933, the respondent Mrs. Cohen, who is the mother of the bankrupt, deposited with Barclays Bank £2,000 War Loan, and certain building society shares, which were subsequently realised and the proceeds invested in £450 War Loan, which was also deposited with the Bank to secure the firm's overdraft. In this case, also, Mrs. Cohen signed a memorandum of deposit, but incurred no personal liability to the Bank. In May, 1934, the bankrupt appears to have required further borrowing facilities, because, on May 24th, 1934, he applied to Lloyds Bank for an overdraft of £2,250, which, on May 29th the Bank appears to have sanctioned; and on that day the bankrupt opened an account with Lloyds. In fact the overdraft which was sanctioned by the Bank was £1,450; and that amount was secured by the deposit by Mrs. Conley of £1,500 War Loan with Lloyds on June 16th, 1934. On May 15th, 1934, she signed a memorandum of deposit constituting the War Loan collateral security for the firm's overdraft; but in my judgment, on the

true construction of that document, she incurred no personal liability to the Bank.

On June 12th, 1934, the bankrupt paid his wife out of the Barclays account a sum of £1,000, and on June 15th £200 out of Lloyds account; and it was stated that these two sums had been applied towards the purchase of the £1,500 War Loan.

By the end of September, 1934, the business was, to the knowledge of the bankrupt, hopelessly insolvent; and it must have been perfectly obvious to him that it could only be kept going for a short time; and, with this in mind, he appears to have entered upon a course of most dishonest dealing with the view of getting in as large a sum as possible, partly for his own benefit, with a view to obtaining for his wife and mother the release of the securities which they respectively had deposited with the banks.

It is unnecessary to detail the methods he adopted; it is sufficient to say that by divers devious and dishonest means he succeeded in getting in very large sums, with the result that, by November 16th, the firm's account with Barclays was in credit, and Mrs. Cohen demanded and obtained the release of her securities, which, by her directions, were sold by the bankers and the proceeds paid to her; and on November 28th Mrs. Conley demanded and obtained the return of her securities, which were also, as in the mother's case, sold at the direction of the wife and the proceeds paid to her. Similarly the account with Lloyds had been put in credit, and on November 20th the wife demanded and obtained the release of her securities from that Bank. On the same day Mrs. Conley directed the Bank to sell her securities, which was done, and the £950 was paid to her. On November 30th the business was closed down; and on that day the bankrupt gave instructions to Barclays to stop all payments, with the inevitable result that he was immediately made bankrupt. Assuming all the facts I have stated to have been proved, there can be no possible doubt that, during the months of October and November, the bankrupt was concerned to secure the position of his wife and mother in the catastrophe which he must clearly have foreseen, by enabling them to recover their securities from the banks. In other words, it must be taken that the payment by the bankrupt into the banks of large sums of money in October and November, 1934, was made partly at any rate with a view of preferring his wife and mother. On the other hand, there is nothing whatever to suggest that he intended or desired to prefer the Banks; nor, indeed, did such payments advantage the banks in any way, since so long as they held the securities they were fully protected and could have discharged the amounts owing out of the proceeds of sale of the securities.

That being so, the question which I have to determine is, whether the payments to the banks made by the bankrupt with the view of preferring his wife and mother constitute fraudulent preferences within the meaning of section 44 of the Bankruptcy Act, 1914. It was pointed out on behalf of the banks that there might be a serious difficulty in showing which particular payments could be said to constitute the preferential payments, since during the months of October and November, 1934, both accounts were being freely operated on, both by payments in and out, and there was nothing to indicate that any particular payment in was made with a view to prefer the wife and mother. On the other hand, it was said on behalf of the applicants that all the payments-in during these months until the securities were realised constituted preferences, since the object of the payments throughout these periods was to put the account into credit, and thus enable the securities to be released.

It is unnecessary for me to consider this matter further,

because in my view there are other grounds which render it impossible for the applicants to succeed on these motions, and in my judgment the whole matter can be disposed of by consideration of the true construction of section 44 of the Bankruptcy Act, 1914, the vital question being, as it appears to me, whether payments made by a person (who subsequently becomes bankrupt within the prescribed period) to bankers, with no intention of preferring the bankers, but with a definite intention of releasing securities deposited with the bankers as collateral security by third parties who are under no personal liability to the banks, constitute an undue preference within the meaning of the section?

To resolve this question I think it is useful to consider what constitutes a fraudulent preference. The principle of the administration of the assets in a bankruptcy is that all the creditors shall be paid rateably out of the assets of the bankruptcy; and any dealing by the bankrupt with his property during the prescribed period before bankruptcy which has for its purpose and results in preventing such a distribution, by putting one creditor in a more advantageous position than the others, is an undue preference. If it be once established that money or property formerly belonging to the bankrupt has got into the hands of a creditor by undue preference, the Trustee in Bankruptcy can recover it on the ground that the undue preference was in itself an act of bankruptcy, and by virtue of the doctrine of relation back, the money or property in the hands of the creditor is deemed to be part of the assets in the bankruptcy, and held therefore by the creditor for the Trustee in Bankruptcy.

As the law stood before the Bankruptcy Amendment Act, 1913, in order to prove an undue preference it was necessary to show a payment to a creditor with a view to preferring the creditor so paid; and for that reason it was held that a payment to a creditor with a view to prefer a surety was not an undue preference, since there was no intention to prefer the creditor (see *In re Mills*, 5, Bankruptcy Cases, page 55); nor was it possible to establish an undue preference against the surety, since he was not a creditor (*re Warren*, 1900, 2 Queen's Bench, 135).

In order to remedy that state of things, the law was amended by the Act of 1913, and that amendment is now incorporated in section 44 of the present Act. By that section it is provided (*inter alia*) that every payment made to a creditor with a view to preferring a creditor, or any surety or guarantor for the debt due to such creditor within the prescribed period is an undue preference. As a matter of construction of that section, it is in my view reasonably plain that the payment to the creditor constitutes the undue preference, although there was no intention to prefer that creditor, with the result that the Trustee in Bankruptcy must recover the amount so paid from the creditor, and not from the surety or guarantor.

In adopting that consideration, I am following a decision of Mr. Justice Clauson (*In re Lyons*, 11 Bankruptcy and Company Cases, page 174) with which I respectfully agree in preference to the contrary view expressed by Mr. Justice Eve in *Re Stanley & Co.* (1925, 1 Chancery, 148).

This would appear, at first sight, to be a wide departure from the principle in such a case that the money could only be recovered from a creditor to whom it had been paid with a view to prefer that creditor; but that, in my judgment, is not really so; because, although in such a case the creditor may have to refund, he is left with his remedy against the surety or guarantor from whom he may be able to recover the amount paid, in which case the person on whom the loss ultimately falls is the person whom it was intended to prefer.

In considering the question which is vital in this case whether a payment is to a creditor with a view to prefer not the creditor, but a person who has deposited title-deeds as collateral security, but has incurred no personal liability, I am, I think, entitled to bear those considerations in mind. Apart, however, from that, in my judgment, the words "surety or guarantor" properly construed, necessarily import a personal liability and, therefore, exclude a mere depositor. Although no doubt it is true that the depositor runs the risk of his property which he has deposited being taken to pay the debtor's debt, he himself does not either guarantee payment of the debt, nor is he surety for the debtor. He can under no circumstances be sued by a creditor, and there is no contractual relation between himself and the creditor, except to the limited extent arising out of the deposit of the deeds. And, in my judgment, it cannot be said that the words "surety or guarantor" include a mere depositor.

Section 44 is a quasi-penal section, and must be construed strictly; and I ought not to put upon the words in that section a meaning which they do not properly bear. Moreover, such construction seems to me to be in accordance with the general principles stated above. If I am to construe "surety or guarantor" as including a depositor, it will necessarily result in a wide departure from these general principles, since it will mean that a creditor to whom payment was made, with no intention to prefer that creditor, will be made liable to repay, with no remedy over against the person intended to be preferred. Once the creditor has parted with the securities to the depositor, his rights as against the depositor or his property are at an end, and he has no means of recovering payment from the depositor.

I am unable to bring myself to think that so wide a departure from settled principles in this regard was intended by words which are strictly not apt for the purpose.

I have been warned by counsel for the applicants of the serious consequences which he suggests will ensue if I do not accept his construction of the section; and I am told that the commercial world waits in trepidation a decision which will, according to him, open wide the door for frauds on innocent creditors. If my construction of the section has such a result I shall regret it; but if I have rightly construed the Act it is for the Legislature to deal with the matter. I may, however, point out that the opposite construction of the section would operate very hardly on bankers. So long as the customer's account is open, they cannot refuse to accept money paid in, nor can they refuse to release the deposited securities to the depositor so long as the account is in credit, when the demand to deliver up is made, subject to the giving of any proper notice which may be required. If, therefore, a debtor can ensure, by such means as were adopted in this case, that the depositors' property is returned to him intact, he will be doing so at the expense of the banks, whom he has no desire to prefer and who cannot protect themselves by refusing either to receive the money paid in or by refusing to part with the securities when called upon to do so by the depositor so long as the account is in credit. These, however, are matters with which I am not primarily concerned. I have to construe the section; and, putting the construction which I do upon it, it follows that the applicants cannot succeed on either of the motions. Nor could they have succeeded if all the facts which were opened had been conclusively proved.

The motions as against the Banks must fail, because the payments sought to be impeached were not made with a view of preferring them. As to the paramount

importance of establishing such intention, see *Peat v. Gresham Trust* (1934 Appeal Cases, page 312). They cannot succeed against the other respondents, because those respondents who were the persons it was intended to prefer are not creditors of the bankrupt within the meaning of the section. For these reasons, in my judgment, both these motions must fail, and must be dismissed with costs.

CITY OF LONDON COLLEGE.

Prize Distribution.

The annual distribution of prizes of the City of London College took place at Guildhall on December 15th. The chair was occupied by the Lord Mayor (Sir Harry Twyford), who was accompanied by the Lady Mayoress and the Sheriffs and their ladies. The Lord Mayor said that for over eighty-nine years the College had performed a valuable service in providing educational opportunities for young men and women employed in business in the City. He was pleased to welcome Lord Snell, the Chairman of the London County Council, and could assure him that the City was appreciative of the support given by the Council to the provision for educational advancement of the young persons employed within it. The activities of the College were of special interest to him because it was situated in the Ward of which he had the honour to be Alderman. Further, as director of a large City textile house, he was glad to know of the courses of study dealing with the various sections of the wholesale textile trade which were available at the College.

The Director of the College, Mr. J. W. Ramsbottom, M.A., M.Com., in his report said that the last session was notable for the 10 per cent. increase from 3,573 to 3,930, in the total number of students attending the College.

Amongst the evening students, the chief increase was in those studying modern languages. The College Travelling Studentship, which had now been in operation since 1927, had been awarded to Mr. L. L. Hitchen, who was spending three months in France and Belgium. Mr. Hitchen was the twelfth beneficiary under this Studentship, the cost of which was entirely defrayed by voluntary contributions from members of the Governing Body and others. Mr. P. G. Wilson had retired from the position of Head of the Day Department of Commerce. He had been succeeded by Dr. A. C. Smith, who as Head of the Department of Modern Languages, instituted the Summer Short Vacation Course in English for Foreign Students. Last session this course was attended by seventy-five students, who came from nineteen different countries. Dr. Smith's experience in this work was a valuable asset to him in endeavouring to increase the numbers attending the six months' day course for foreign students, which was arranged in conjunction with the Swedish and Norwegian Governments, and which last year was attended by 117 students.

A further development in the day work was the course now provided for young women of good education who desired to be trained as private secretaries.

The continuous growth in the number of students intensified each year the problem of accommodating them in the present buildings, which were as unsuitable as they were inadequate. The urgent need was a much larger building, which by its dignified appearance and position would reflect more adequately the importance of the work performed within it. He had some hope that during the next twelve months a step might be moved nearer to the realisation of this ideal, but this would require financial aid, not only from the London County Council but from a variety of other sources. He trusted that when the time came for an appeal to be made to the commercial and

financial communities of the City, whose employees benefited from the facilities provided, there would be a generous and widespread response.

Lord Stanhope (President of the Board of Education), in an address, said that a student was likely to acquire knowledge much more easily during the day, when his brain was fresh, than at the end of a day's work; and he thought that business men would find that, if they allowed employees to attend commercial classes in working hours, the advantages would exceed any inconvenience caused.

Students of the College could certainly claim to have given some proof of their capacity for hard work, and of other qualities which were necessary to maintain the City in its position. Those qualities were a reputation for fair dealing, the vision to take a long view, and the courage to take a legitimate risk. Even those qualities were insufficient to-day, when business had become so complicated, and competition with foreign countries so fierce. Knowledge was needed, and the College did valuable service in providing that knowledge. In one respect, London lagged behind many other capitals—in her knowledge of languages other than her own; and he rejoiced to hear that the modern language section of the College was progressing.

Lord Stanhope then distributed the awards.

The Rt. Hon. Lord Snell (Chairman of the London County Council), in proposing a vote of thanks to Lord Stanhope, said that the presence of the President of the Board of Education was a witness to the high regard in which the City of London College was held by the Government. He had heard from the report which the Director had just read, that the College urgently needed new premises, and although he could not presume to say what the London County Council would do, he was sure that those of his colleagues who were present would wish him to say that they were all deeply concerned with the work of the College, and would wish to give it all the support they could.

A vote of thanks was accorded to the Lord Mayor, the Sheriffs and the Corporation, on the motion of Mr. L. H. Kiek, Chairman of the General Purposes Committee of the College.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to the membership of the Society have been completed since our last issue:—

ASSOCIATES.

CARMAN, NIGEL, with Whinney, Smith & Whinney, 4b. Fredericks Place, Old Jewry, London, E.C.2.

FEARNSIDE, JACK, with Firth, Parish & Clarke, 32a. Market Street, Bradford.

HIGGINBOTHAM, CUTHBERT CHARLES EMERTON, County Treasurers' Department, The Courts, Carlisle.

NELSON, ROBERT GEOFFREY HORATIO, with Kilby & Fox, Drury Chambers, Market Square, Northampton.

PARTRIDGE, GEORGE EDWIN, with F. Geen & Co., Victoria Chambers, Liverpool Road, Stoke-on-Trent.

PETTY, HERBERT, with Edward Clough, 64, Devonshire Street, Keighley.

STERN, FREDERICK DAVID, formerly with H. E. Davis, 83, Fore Street, Moorgate, London, E.C.2.

WARBRICK, RICHARD, with F. A. Dawson, Webster & Co., 34, Castle Street, Liverpool.

WHEELER, STANLEY OSBERT, with Edward Myers, Clark & Co., 7 & 8, Norfolk Street, Strand, London, W.C.2.

Society of Incorporated Accountants and Auditors.

RESULTS OF EXAMINATIONS, NOVEMBER, 1937.

Passed in Final Order of Merit.

JONES, LEONARD JOHN DENNIS, Clerk to Spain Brothers, Titmuss & Co., 25, Cardiff Road, Luton (*First Certificate of Merit and First Prize*).
 PAGE, BRIAN JOHN GRAHAM, Clerk to S. T. Tunbridge (Tunbridge & Lacee), 6, South Quay, Great Yarmouth (*Second Certificate of Merit and Second Prize*).
 SUGDEN, GILBERT, City Treasurer's Department, Exchange Buildings, Nottingham (*Third Certificate of Merit*).
 BARBER, ALEC HERBERT, Clerk to Frederick Shaw (Shaw, Peterken & Co.), 17-18, Basinghall Street, London, E.C.2 (*Fourth Certificate of Merit*).

Alphabetical Order.

ADAMS, CLIFFORD JAMES, Clerk to Cooper Brothers & Co., 14, George Street, Mansion House, London, E.C.4.
 APPS, BASIL ALBERT, Clerk to Edmonds, Clover & Ackery, 70, Commercial Road, Portsmouth.
 BAKER, PHILIP HERVEY, Clerk to Ernest R. Bradley (Bradley, Slater & Radcliffe), 582-4, Christchurch Road, Boscombe, Bournemouth.
 BANNERTON, JOSEPH PATRICK, Clerk to Purtill & Co., 99, O'Connell Street, Limerick.
 BARKER, ALBERT KNIGHTON, Clerk to Alfred F. Girling (J. W. Wilkinson & Co.), 27, Regent Street, Barnsley.
 BARKER, BERNARD THOMAS, Clerk to H. E. Lacee (F. Roberts & Co.), 15, Guildhall Road, Northampton.
 BARNETT, WILLIAM TEMPEST, Clerk to J. Edgar Jordan & Co., 20, Queen Street, Wolverhampton.
 BARRETT, WILLIAM BULCOCK, Clerk to Fookes, Wyatt, Williams & Hickman, Salisbury House, London Wall, London, E.C.2.
 BENALLICK, DAVID, Clerk to Deloitte, Plender, Griffiths & Co., Bank Buildings, Temple Street, Swansea.
 BERRY, CLIFFORD, Clerk to Alan P. Burton, 14, Devonshire Street, Keighley.
 BLACK, PERCY, Clerk to Armitage & Norton, Station Street Buildings, Huddersfield.
 BOOTH, WILLIAM GEORGE, Clerk to Thomas Smith & Sons, National Bank Buildings, 135, Buchanan Street, Glasgow, C.I.
 BROCKWAY, JACK BOYCE SHADWELL, Clerk to F. Wadge (Culley & Co.), 5, Bank Plain, Norwich.
 BROOKS, EDWARD HUTCHINSON, Clerk to W. Howarth (Whitehead & Howarth), Montauban Chambers, Clifton Drive South, Lytham St. Annes.
 BROWN, FREDERICK THURSFIELD, Clerk to E. T. Brown & Co., Gresham Chambers, Lichfield Street, Wolverhampton.
 BROWN, JOHN CHARLES, Clerk to L. E. Stewart, 22, Marefair, Northampton.
 BURTON, ROBERT WINDRAM, Clerk to Newby, Dove & Rhodes, Prudential Chambers, Grey Friars, Leicester.
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 CATTON, FREDERICK CHARLES, Clerk to Bryce, Hanmer & Co., 1-3, Stanley Street, Liverpool, 1.
 CHADWICK, RONALD GRIFFITHS, Clerk to O. W. Davies, Mumford & Co., Market Chambers, High Street, Kidderminster.

CHATTERJI, GURU PROSAD, B.Sc., formerly Clerk to Batliboi & Purohit, Lindlie Chambers, 6, Hastings Street, Calcutta.
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 CLIFTON, SYDNEY CHARLES, Clerk to Fookes, Wyatt, Williams & Hickman, Salisbury House, London Wall, London, E.C.2.
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 DAVIES, WILLIAM ERNEST, Clerk to Alfred E. Pugh, Carlton Chambers, Newport, Mon.
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 DEY, MON MOHON, B.Com., Clerk to E. S. Howard, Pye & Co., 6, Martin Lane, Cannon Street, London, E.C.4.
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 FELL, WILLIAM MATTHEW, Clerk to R. C. L. Thomas, (Walter Hunter, Bartlett, Thomas & Co.), 24, Bridge Street, Newport, Mon.
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 FORSTER, JOSEPH ISAAC, Clerk to Barwick, Kennedy & Co., Lloyds Bank Chambers, Keswick.
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FINAL—(*continued*).

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- HARGREAVES, JOHN FREDERICK**, Clerk to F. E. Hatfield (Hatfield, Dixon & Co.), 37, Walbrook, London, E.C.4.
- HARTWELL, DONALD**, Clerk to C. F. Rumble (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.
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- MOORCROFT, ARTHUR**, Clerk to Chas. J. White (Burrows & White), Prudential Buildings, Queen Street, Nottingham.
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- RAWLINSON, DENIS JAMES**, Clerk to Walter F. Whiting (Larking, Larking & Whiting), Invicta Chambers Maidstone, Kent.
- READWIN, EDGAR SEELEY**, Clerk to Harman & Gowen, 7, Queen Street, Norwich.
- REDDAWAY, JACK**, Clerk to C. S. Moores, 15, Bedford Circus, Exeter.
- REED, HARRY CLIFFORD**, Clerk to James H. Simmonds, 169, Albert Road, Middlesbrough.
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- ROBINSON, GEORGE WILFRID**, Clerk to F. S. Rowland & Co., 117, Pilgrim Street, Newcastle-upon-Tyne.
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- SEATON, GEOFFREY HAYNE**, Clerk to G. F. H. Shipton (G. F. H. Shipton & Co.), 3, Unity Street, Bristol, 1.
- SEN, RABINDRA NATH**, M.A., B.L., B.Com., Clerk to William Pickles, Aldine Chambers, 57, Princes Street, Manchester, 2.
- SENIOR, PERCY LODGE**, 19, High Street, Hanging Heaton, Batley, Practising Accountant.
- SHEPHERD, NORMAN ALAN**, Clerk to William Clark & Stevens, Westgate Chambers, Newport, Mon.
- SILBURN, REUBEN**, B.A., Clerk to Spicer & Pegler, 19, Fenchurch Street, London, E.C.3.
- SILLITOE, REGINALD**, Clerk to A. Brodie (J. Paterson Brodie & Son), Moor House, Moorland Road, Burslem, Stoke-on-Trent.
- SIMPSON, FRANK ERNEST**, Clerk to Prideaux, Fred Brown & Co., 12, Old Square, Lincoln's Inn, London, W.C.2.
- SLATER, DERRICK SPENCER**, Clerk to William A. Judge, High Street, Skipton.
- SMITH, LESLIE**, Borough Treasurer's Department, Town Hall, Sunderland.
- SMYTH, WALTER**, Clerk to James Baird & Co., Imperial Buildings, 72, High Street, Belfast.

FINAL—(continued)

SPENCER, CHARLES ALFRED, Clerk to William H. Rhodes (Newby, Dove & Rhodes), Prudential Chambers, 10, Grey Friars, Leicester.

STANBURY, ALFRED WILLIAM BASIL, Clerk to Herbert Townsend (Townsend, Watson & Stone), 4, The Broadway, Crouch End, London, N.8.

STEPHENS, SIDNEY CHARLES, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, London, E.C.2.

STONEHAM, FREDERICK CHARLES, Clerk to C. N. Walter (C. N. Walter, Lester & Co.), 290, Finsbury Pavement House, London, E.C.2.

THOMAS, SAMUEL HOWELL DAVIES, Clerk to Jones, Robathan, Thompson & Co., 34, Blue Street, Carmarthen.

THOMPSON, JAMES PETER MAURICE, Clerk to Maurice Thompson (Maurice Thompson & Co.), Victoria House, Southampton Row, London, W.C.1.

TODD, EDWIN DESMOND BURLING, Clerk to H. Brown, City Treasurer, Guildhall, Rochester.

TREVERS, FREDERICK JOHN, Clerk to William R. Baskett (Bobart, Baskett & Co.), 65-66, Basinghall Street, London, E.C.2.

VEITCH, LESLIE, Clerk to Street, Brown & Co., Grosvenor Chambers, 33, Blackfriars Street, Manchester.

WATKINS, CHARLES, Clerk to Marcus H. Eve, 9, St. John Street, Coleford, Glos.

WATSON, WILLIAM THOMAS, Clerk to Victor W. Sayer & Co., 391, Ewell Road, Tolworth, Surrey.

WEBB, EDWARD DAVID, Clerk to F. L. Thomerson, 7, Old Steine, Brighton, 1.

WETHERILL, SIDNEY GEORGE, Clerk to Greenslade & Co., 297-302, Dashwood House, Old Broad Street, London, E.C.2.

WHATTER, MALCOLM WILLIAM MORTIMER, Clerk to Dujardin, Bolt & Co., 17, Monument Street, London, E.C.3.

WHEELER, MOSES, Clerk to W. J. Padget (H. Davey & Co.), 1, Crown Court, Wakefield.

WILSON, GEOFFREY, Clerk to Bramwell Collinge (Collinge & Halstead), 30, Spring Gardens, Manchester.

WILSON, SIDNEY, Clerk to Hale & Hale, 22, Booth Street, Manchester.

WYKES, NORMAN JAMES, Clerk to James Moss (John W. Hirst & Co.), 28, Queen Street, Albert Square, Manchester, 2.

YOUNG, ROLAND, Clerk to C. A. Jakeman (Critchley & Co.), 12, Stret Street, Abingdon.

SUMMARY :—

4 Candidates awarded Honours.

135 Candidates passed.

157 Candidates failed.

296 Total.

Passed in Intermediate.

Order of Merit.

STAPLETON, PERCY LEONARD, Clerk to Barton, Mayhew & Co., Alderman's House, Bishopsgate, London, E.C.2 (*First Place Certificate and First Prize*).

GILBERT, ARTHUR ERNEST, Clerk to Parsons & Jolliffe, Belvoir House, 45, Chepstow Road, Newport, Mon. (*Second Place Certificate and Second Prize*).

KELLETT, BRIAN PINDER, Clerk to W. E. Hughes (Brown, Topham & Partners), 14, North John Street, Liverpool, 2 (*Third Place Certificate*).

WIXON, WILLIAM ALFRED, Clerk to G. W. Welch & Co., 65, Great Portland Street, London, W.1 (*Fourth Place Certificate*).

FORESTER, THOMAS GEOFFREY, Clerk to Layton-Bennett & Co., 23, Blomfield Street, London, E.C.2 (*Fifth Place Certificate*).

Alphabetical Order.

ACOMB, NORMAN, Clerk to Maurice W. Hustwick (Wade, Hustwick & Sons), 70, Kirkgate, Bradford.

ADAMS, FREDERICK STEPHEN, County Accountant's Department, Kent County Council, Sessions House, Maidstone.

ALEXANDER, ALBERT HENRY, Clerk to G. H. Attenborough & Co., 9 and 10, Fenchurch Street, London, E.C.3.

ALLCHURCH, ALFRED ERNEST, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.

BAMFORD, JOHN, Clerk to W. Driver & Simpson, Brown's Chambers, 63, Great George Street, Leeds.

BATLIBOI, ARDESHIR JEHANGHIR, formerly Clerk to Batliboi & Purohit, National Insurance Building, 27, Bastion Road, Fort, Bombay.

BERRYMAN, CHESTER BERNARD, Clerk to H. Morgan (Morgan Bros. & Co.), 54, New Broad Street, London, E.C.2.

BLIGH, HARRY BARRY, Clerk to H. V. Whittaker (T. Harold Platts & Co.), 126, Colmore Row, Birmingham.

BOOHAN, DANIEL ERNEST, Clerk to Walter Johnson & Partners, 28, High Street, Swindon, Wilts.

BOOTH, LESLIE, Clerk to Buckley, Hall, Devin & Co., National Provincial Chambers, Silver Street, Hull.

BOSE, RADHA BHUSAN, B.Sc., B.Com., formerly Clerk to G. Basu & Co., Salisbury House, 3/1, Bankshall Street, Calcutta.

BOYCE, GORDON HILLIAR, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, Finsbury Circus, London, E.C.2.

BRAYFORD, OSWALD WALTER, Clerk to Bourner, Bullock & Co., Albion Street, Hanley, Stoke-on-Trent.

BRETT, PATRICK BERNARD, Clerk to Hilton, Sharp & Clarke, 14, Gray's Inn Square, London, W.C.1.

BROOME, NOEL ABBEY, Clerk to Geo. W. H. Glover (Henry Lawrence & Co.), 5, Gallowtree Gate, Leicester.

BROWN, ARTHUR, Clerk to Alfred Brown & Co., 1, Cooper Street, Manchester, 2.

BRYANT, JOHN TREVOR, Clerk to Philip T. Bryant, 12, Market Square, Horsham, Sussex.

BURN, ARNOLD THAXTER, Clerk to S. A. Spofforth (Stubbs & Spofforth), 10, Shelley Road, Worthing.

CAIN, FRANCIS THOMAS, Clerk to Reginald L. Tayler (Reginald L. Tayler & Co.), Coventry House, South Place, Moorgate, London, E.C.2.

CHAPLIN, FRANK, Clerk to F. W. Clarke & Co., Corridor Chambers, Market Place, Leicester.

CHARLTON, JOHN RAYMOND, Clerk to T. H. Rowland (W. T. Walton, Son & Rowland), Victoria Buildings, Stockton-on-Tees.

COCKERELL, GEORGE FREDERICK, Clerk to Edward Beal (Beal & Young), 27, Portland Terrace, Southampton.

CORBETT, IVOR, Clerk to J. Wallace Williams (J. Wallace Williams & Co.), 5, St. Andrews Crescent, Cardiff.

COYNE, GERARD RICHARD, Borough Treasurer's Department, Battersea Borough Council, Town Hall, Lavender Hill, London, S.W.11.

DACHE, JOHN HAINSWORTH, Clerk to Alfred Walton (John Gordon, Walton & Co.), Legal and General Building, 7, South Parade, Leeds.

DAMANIA, RANCHODDAS VARJIVANDAS, B.Com., formerly Clerk to K. S. Aiyar & Co., 49, Apollo Street, Fort, Bombay.

DASTUR, HOMI JAMSHED, B.A., formerly Clerk to S. B. Billimoria & Co., 113, Esplanade Road, Fort, Bombay.

DAVIES, DAVID HYWEL, Clerk to I. Wynn Llewelyn (C. Glynn Jones & Llewelyn), High Street, Narberth, Pembrokeshire.

DAVIES, LEONARD, Clerk to Duffield & Smith, 30, Waterloo Street, Birmingham, 2.

INTERMEDIATE—(continued).

- DAVIES, WILLIAM, Clerk to Chipchase, Wood & Co., 125, Albert Road, Middlesbrough.
- DAVIS, CYRIL WELLS, Clerk to Nevill, Hovey, Gardner & Co., 94, Old Broad Street, London, E.C.2.
- DAWSON, PHILIP STEVENSON, Clerk to Chipchase, Wood & Co., 125, Albert Road, Middlesbrough.
- DENNIS, CHARLES GEORGE, Clerk to A. H. Mackrill, Borough Treasurer, Municipal Offices, New Malden, Surrey.
- DONAGHY, NOEL AUSTIN, Clerk to F. Allen (Rawlinson, Allen & White), Donegall Square East, Belfast.
- DOUGLAS, ROBERT ALEXANDER, B.Com., Clerk to Cassleton Elliott & Co., 4-6, Throgmorton Avenue, London, E.C.2.
- DOUGLASS, RAYMOND, Clerk to Goldie, Campbell & Robins, Bank Chambers, Lowgate, Hull.
- EVANS, WILLIAM EDDIOR, B.A., Clerk to Herbert Bell, Town Hall, Bangor, North Wales.
- FERNANDO, BENTOTAGE LIONEL WILFRED, Clerk to W. W. Bigg (Wilson, Bigg & Co.), 16, Coleman Street, London, E.C.2.
- FERROW, JAMES RONALD, Clerk to Albert Bell & Allan, St. Nicholas Chambers, Amen Corner, Newcastle-upon-Tyne.
- FORSTER, JOHN WILLIAM, Borough Treasurer's Department, Town Hall, Morley.
- FOUNTAINE, ROY CHARLES, Clerk to A. E. Hook & Co., St. Thomas' Square, Newport, I.O.W.
- FRANCIS, JOHN LLOYD, Clerk to Francis & Williams, Crecchurh Chambers, De La Beche Street, Swansea.
- FRYER, ARNOLD WILLIAM, Clerk to Whitehead & Aldrich, 2, Chapel Street, Preston, Lancashire.
- GARNETT, LEWIS, Williams Deacon's Bank Chambers, The Moor, Sheffield, Practising Accountant.
- GEACH, CEDRIC BENNEY, Clerk to W. S. Priestley (Cunningham, Priestley & Co.), Hill's Chambers, 189, Norfolk Street, Sheffield, 1.
- GREGG, VERNON STEWART, Clerk to William S. Gregg (Milne, Gregg & Turnbull), Bank Buildings, 16, St. James's Street, London, S.W.1.
- GREYGOOSE, RONALD ERIC, Clerk to C. A. G. Hewson (Beattion, Hewson & Co.), 127-130, Moorgate Station Chambers, Moorfields, London, E.C.2.
- HALES, JOHN CHARLES, Clerk to Clarke, Dovey & Co., 31, Queen Street, Cardiff.
- HALL, ERNEST REGINALD, Clerk to A. Cropp Hawkins (A. Cropp Hawkins & Co.), Portland House, Church Street, Stoke-on-Trent.
- HALL, KENNETH GEORGE, Clerk to O. G. Taylor & Garbutt, Judges Court, Coney Street, York.
- HARLEY, REGINALD ERNEST ARTHUR, Borough Accountant's Department, Metropolitan Borough of Holborn, Town Hall, High Holborn, London, W.C.1.
- HARRIS, JOHN DAYMENT, Clerk to W. D. Garbutt (O. G. Taylor & Garbutt), Judges Court, Coney Street, York.
- HARRISON, ERIC JOHN, Clerk to J. K. Pollitt (J. A. Harris & Co.), 47, Ropergate, Pontefract.
- HARRISON, FRANCIS ALEXANDER, Clerk to Layton-Bennett & Co., 23, Blomfield Street, London, E.C.2.
- HARTLEY, LESLIE, Clerk to Whitfield, Wilson, Couper & Co., Martins Bank Chambers, Park Row, Leeds.
- HARVEY, HENRY HIBBITT, Paymaster-Commander Royal Navy (Accountant Officer), R.N. Barracks, Chatham.
- HARWOOD, HERBERT NORTON, Clerk to Herbert E. Harwood, 73 and 75, Albion Street, Leeds.
- HEMINGFIELD, NORMAN ARTHUR, Clerk to Ernest Weston & Co., Queen's Buildings, Queen Street, Sheffield.
- HILL, ARTHUR, Clerk to C. E. Kendall (Howard, Morris & Crocker), 102, Victoria Road North, Portsmouth.
- HUGHES, JAMES LEONARD, Clerk to Charles Tunnington (Langton & MacConal), 22, Lord Street, Liverpool.
- JAMES, RONALD GEORGE, Clerk to L. J. Muller, 16, Newport Road, Cardiff.
- JENNISON, CLIFFORD GEORGE, Clerk to Norman D. Vine & Co., Pearl Chambers, East Parade, Leeds.
- JOHNSON, EDWARD ELLIS, Clerk to N. B. Hart (Stephenson, Smart & Co.), Queen Street Chambers, Peterborough.
- JOHNSON, HAROLD JOSEPH, Clerk to G. Nutt (Nutt, Horne & Co.), St. James's Chambers, St. James's Street, Derby.
- JONES, EDWARD RAYMOND, Clerk to Stanley Kent (Harper, Kent & Wheeler), Old Bank Buildings, Bellstone, Shrewsbury.
- JONES, JAMES DOUGLAS, Accountant's Department, Port of London Authority, London, E.C.3.
- KENNEDY, WILLIAM PATRICK, B.Com., Clerk to F. N. Kelly (W. A. Deevy & Co.), 29, Barronstrand Street, Waterford.
- KEYWORTH, JOHN STUART, Clerk to Hodgson, Harris & Co., 111, Cleethorpe Road, Grimsby.
- KIRK, HERBERT VICTOR, Clerk to James Baird & Co., Imperial Buildings, 72, High Street, Belfast.
- KIRKWOOD, JOHN, Clerk to A. McAdam (A. McAdam & Co.), Riddels Buildings, Donegall Place, Belfast.
- KNOWLING, JOHN HENRY, Clerk to R. W. E. Bunn Borough Treasurer, Town Hall, Brighton.
- LAKHUMALANI, BHAGVAN DIVANISING, B.Sc., Clerk to R. K. Dalal (Dalal & Shah), 49, Apollo Street, Fort, Bombay.
- LANCE, NORMAN CHARLES, Clerk to A. S. Donald, Glen Fern Chambers, Old Christchurch Road, Bournemouth.
- LANE, ALBERT EUGENE, Clerk to W. Geo. Tovell, 27, Portland Street, Southampton.
- LANE, JOHN ROBERT, Clerk to Spicer & Pegler, 19, Fen-church Street, London, E.C.3.
- LEE, RICHARD TRAPNELL, Clerk to Thomas W. Watts, 2-4, Commercial Buildings, Wilson Street, Middlesbrough.
- LE MAITRE, KENNETH NOEL, Clerk to Thomas C. Forster, Lord's Chambers, 26, Corporation Street, Manchester.
- LEVIN, YUDIE, Clerk to F. J. Notley (Lucian J. Brown & Notley), Friars Chambers, Dock Street, Newport, Mon.
- LLOYD, MAURICE EDWARD, Clerk to Dixon, Wilson, Tubbs & Gillett, 24, Basinghall Street, London, E.C.2.
- LOGAN, JOHN, Clerk to Chas. W. Rooke, Lane & Co., 2, Norfolk Street, Strand, London, W.C.2.
- LOWE, JOHN GORDON MICHAEL, Clerk to D. A. Newby (Hewat, Bridson & Newby), 6, Rue de l'Ancienne Bourse, Alexandria, Egypt.
- MC EWEN, HARRY, Clerk to Reginald Hindley (Hindley, Hamer & Co.), 236, Corn Exchange Buildings, Manchester.
- MACLENNAN, JOHN, Clerk to George Cobley & Co., 33, Henrietta Street, Covent Garden, London, W.C.2.
- MC MANUS, RALPH, Clerk to David H. Bennett, 111a, High Street, Dovercourt, Essex.
- MAGGS, HOWARD HISCOCK, Clerk to W. Lacon, Threlford & Co., 1 and 2, Holy Trinity Churchyard, High Street, Guildford.
- MALHOTRA, BALDEV RAJ, B.Com., formerly Clerk to D. Roy & Co., Kashmere Gate, Delhi, India.
- MANN, NOEL ROBERT, Clerk to L. Jacobs & Co., 74-75, Cheapside, London, E.C.2.
- MARCH, PETER SHIRLEY, Clerk to A. E. Cramp (Shirley March, Bosworth, Cramp & Co.), 1, Halford Street, Leicester.
- MEALLY, VICTOR JOHN PEROLZE, B.A., Clerk to T. R. Beddy (Cooper & Kenny), 34, Dame Street, Dublin.
- METCALFE, STANLEY, Clerk to Thomas W. Watts, 2/4, Commercial Buildings, Wilson Street, Middlesbrough.

INTERMEDIATE—(*continued*).

- MITCHELL, JOHN BRIAN**, Clerk to Arthur D. Horsnell (Mitchell & Horsnell), Kelsall Chambers, Woodhouse Lane, Leeds.
- MOBBY, ARCHIBALD GEORGE**, Clerk to McAuliffe, Davis & Hope, 11, Rue Louis le Grand, Paris.
- MOORE, DERRICK PHILIP**, Clerk to W. P. Hale (Daffern & Co.), 19-20, High Street, Coventry.
- MORGAN, HAROLD OLVER**, Borough Treasurer's Office, Town Hall, West Bromwich.
- MORGAN, IVOR**, City Treasurer's Office, Town Hall, Bangor, N. Wales.
- MUNNS, REGINALD**, Clerk to Rawlinson, Hunter & Hannaford, Aldwych House, Aldwych, London, W.C.2.
- NICHOLLS, WILLIAM JOHN**, Accountant's Department, Port of London Authority, London, E.C.3.
- NORTON, BRIAN LITHERLAND**, Clerk to Reginald Gregg (Vaughan & Gregg), 53, King Street, Manchester.
- OSBON, HARRY**, Borough Treasurer's Department, Town Hall, Croydon.
- PAGE, ROBERT CHERRINGTON**, Clerk to William Lloyd, Priory Buildings, Priory Street, Dudley, Wores.
- PEARSON, GEOFFREY EUSTACE**, Clerk to Deloitte, Plender, Griffiths & Co., Midland Bank Chambers, 97, Bute Street, Cardiff.
- PHILLIPS, GEOFFREY CHARLES**, Clerk to Muras & Co., 49, Queen Street, Wolverhampton.
- PICKER, STUART COOPER**, Clerk to Stanley Scotter (Stanley Scotter & Co.), Ferres Chambers, 22, Whitefriargate, Hull.
- POOLE, ROBERT TINSLEY**, Clerk to Mervyn Bell (J. A. Kinnear & Co.), Provincial Bank Chambers, 3-4, College Street, Dublin.
- PUNTER, LEONARD STANLEY**, Clerk to Spain Bros., Staite & Co., Revenue Buildings, Chapel Road, Worthing.
- REEVES, CECIL WILLIAM**, Clerk to Smallfield, Rawlins, Lindsay, Flynn & Co., 1, Ironmonger Lane, London, E.C.2.
- REID, JOHN FLEMING**, Clerk to George A. Touche & Co., Basildon House, 7-11, Moorgate, London, E.C.2.
- REILLY, KENNETH WILLIAM**, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool.
- REYNOLDS, ALBERT JOHN**, Clerk to P. F. Keens (Keens, Shay, Keens & Co.), 35, High Street, Leighton Buzzard.
- RICHARDSON, JOHN EDGAR**, Clerk to Edward Buckley (Craig, Gardner & Co.), Donegall House, 7, Howard Street, Belfast.
- ROBshaw, CHARLES PERCIVAL, B.A., B.Com.**, Clerk to Pelham A. S. Plunkett (Pelham Plunkett & Co.), 32, Nassau Street, Dublin.
- ROPP, GILBERT**, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.
- ROWLANDSON, WILLIAM**, Clerk to Edmund D. White & Sons, 841-2, Salisbury House, London Wall, London, E.C.2.
- SALES, STANLEY RAYMOND**, Clerk to E. Victor Amsdon (Amsdon, Cossart & Wells), Station Place, Letchworth, Herts.
- SALTER, JOHN EDWARD SQUIRE**, Clerk to W. E. Fitzhugh (Fitzhugh, Tillett & Co.), Finsbury Pavement House, 120, Moorgate, London, E.C.2.
- SANDERSON, JOHN THOMAS**, Clerk to Sidney W. Clarke (Clarke & Clarkson), District Bank Buildings, Church Street, Lancaster.
- SCRUTTON, HECTOR HUBERT EUGENE**, Clerk to C. F. Middleton & Co., 73, Basinghall Street, London, E.C.2.
- SEN, SATYENDRA NATH, M.A.**, Clerk to William Pickles, Aldine Chambers, 37, Princess Street, Manchester.
- SHARPE, LESLIE**, Clerk to Henry A. Morley, 16, George Street, Nottingham.
- SHAW, EDWARD JOSEPH MALACHY**, Clerk to W. A. Kenny (Purtill & Co.), 33-34, Anglesea Street, Dublin.
- SHEPHERD, HARRY**, Clerk to H. Mitchell Firth (Firth, Parish & Clarke), 32a, Market Street, Bradford.
- SMEATH, ERNEST ALFRED**, Borough Treasurer and Accountant, Glastonbury Borough Council, Glastonbury.
- SMITH, HAROLD CHARLES**, Borough Treasurer's Department, Borough Hall, Stafford.
- SMITH, WILFRED CLEMENT BARNES**, Clerk to Sissons, Bersey, Gain, Vincent & Co., 53, New Broad Street, London, E.C.2.
- SPITTLE, WILLIAM GEORGE**, Clerk to Stanley W. Simpson (Page, Simpson & Co.), 52, Broadway, Stratford, London, E.15.
- STONE, MAURICE GORDON**, Clerk to W. D. Taylor, 10, Euston Street, High Wycombe.
- STURGEON, KENNETH TERENCE**, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.
- SUNDERLAND, GORDON DOUGLAS**, Clerk to Henry Gee, Martins Bank Chambers, Euston Road, Morecambe.
- SWORN, ERNEST JAMES**, Clerk to Edwin G. Pulsford, 233, High Street, Poole.
- TAYLOR, ARCHIBALD**, Clerk to Crook & Rossi, 34, Prince of Wales Road, Norwich.
- THOMPSON, CHARLES PETER**, Clerk to Bert Mortimer (Percy Pemberton & Co.), 32-34, Cookridge Street, Leeds.
- TODD, BERNARD VERE**, Clerk to Layton-Bennett & Co., 23, Blomfield Street, London, E.C.2.
- TRIMMER, EDWARD BERTIE**, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, London, E.C.2.
- TUCKER, RALPH ANTHONY**, Clerk to R. V. Bartlett, Princes Chambers, Newport, Mon.
- TURTON, STANLEY**, Clerk to Pickard, Crosland & Co., Victoria Chambers, South Parade, Leeds.
- WALKER, SYDNEY**, Treasurer's Department, Council Offices, Erith.
- WALTON, ROBERT**, Clerk to A. France (A. France & Co.), West Bar Chambers, Boar Lane, Leeds.
- WARD, PHILIP AUSTIN**, Clerk to H. J. Millman (Thomas May & Co.), Allen House, Newarke Street, Leicester.
- WATSON, ARTHUR HENRY**, Clerk to Benjamin Walker (J. Durie Kerr, Watson & Co.), 5, Waterloo Street, Birmingham, 2.
- WATSON, HERBERT LAWRENCE**, Clerk to Carline, Watson, Bird & Co., 57, Saltergate, Chesterfield.
- WATSON, ROBERT JOHN RUTHVEN**, Clerk to R. M. Branson (Thomas May & Co.), Allen House, Newarke Street, Leicester.
- WEDGWOOD, SAMUEL CLIFF**, Clerk to W. C. Coxon (Donald H. Bates & Co.), 10, Cheapside, Hanley, Stoke-on-Trent.
- WEEKS, RAYMOND CYRIL ALEXANDER**, Clerk to J. Aitchison, Town Hall, Ryde, I.O.W.
- WHITTAKER, CECIL GEORGE**, Clerk to Charles H. Hills (Blackham & Hills), County Buildings, 147, Corporation Street, Birmingham.
- WILD, REGINALD JOHN**, Clerk to John Draper (John Draper & Son), Lloyds Bank Chambers, Hustlergate, Bradford.
- WILLIAMS, PHILIP DAVID**, Clerk to Alfred G. Deacon & Co., National Chambers, 4, Horsefair Street, Leicester.
- WILSON, LEONARD ALBERT**, Clerk to F. Phillips (F. Phillips & Co.), 329, High Holborn, London, W.C.1.
- WILSON, REX ROBERT**, Clerk to A. C. McDonald (C. McDonald & Co.), Victoria Chambers, 56, Victoria Road, Surbiton.

INTERMEDIATE—(continued).

- WINTER, JOSEPH HORACE, Clerk to Stanley Blythen (Stanley Blythen & Co.), Victoria Chambers, Long Eaton, Nottingham.
 WOOD, WILLIAM, Clerk to Forrester, Boyd & Co., 26, South St. Mary's Gate, Grimsby.
 WOODHEAD, THOMAS GEORGE, Clerk to O. & W. B. Haworth, 61, Cookson Street, Blackpool.
 WOOLSTON, LESLIE ARTHUR, Clerk to W. C. Cattell (Cattell & Chater), Bank Chambers, High Street, Kettering.
 YATES, GEORGE ERNEST, Clerk to J. Thurgood, Equity Chambers, 55, High Street, Doncaster.
 YATES, WALTER HENRY, Clerk to Wright & Westhead, 1, Martin Street, Stafford.

SUMMARY :—

*5 Candidates awarded Honours.**154 Candidates passed.**199 Candidates failed.**358 Total.*

Passed in Preliminary.

Order of Merit.

- SPINK, HARRY, 63, Dover Road, Nelson, Lancs. (*First Place Certificate. Disqualified for Prize by Age Limit.*)
 WHITEHEAD, LEONARD RAYMOND, 4, Lorne Street, Mossley, near Manchester (*Second Place Certificate and Prize*).
 GOLDMAN, HYMAN JACOB, 97, South Portland Street, Glasgow, C.5 (*Third Place Certificate*).

Alphabetical Order.

- ABBOTT, ALBERT JOHN, 7, Bedford Street, Belfast.
 ALLDAY, CLIFFORD, 42, Willow Road, Bournville, Birmingham.
 BARNES, KENNETH CHARLES, 302, Fawcett Road, Southsea.
 BENSON, THOMAS, Beechwood, Anchorholme Lane E., Cleveleys, near Blackpool.
 BLACK, ALEXANDER REAPER, c/o Edwards & Edwards, 22, High East Street, Dorchester.
 BOOT, LESLIE, 330, North Road, Cardiff.
 BOOTH, ARTHUR JOHN HADDON, 40, Daybrook Street, Sherwood, Nottingham.
 BROWN, ARTHUR, 29, St. Hilda's Mount, Leeds, 9.
 CAWTHORNE, WALTER, 5, Queen's Terrace, Pontefract.
 CHARMAN, RONALD WILLIAM, 30, Connaught Avenue, Shoreham-by-Sea.
 COTTON, ALFRED, 6, Kingsley House, Avonmore Road, West Kensington, London, W.14.
 CUTHERBETSON, ROBERT WILLIAMS, Glenbank, 23, Glen Road, Londonderry.
 DAWE, WILLIAM HENRY, 19, Heathville Road, Gloucester.
 DENNIS, DOUGLAS JOHN, 22, Loughborough Road, Leicester.
 DORKING, EDWARD HENRY, Fleur-de-Lys, 52, Bramblewood Close, Carshalton, Surrey.
 ELCOX, DONALD STEPHEN, 67, Chestnut Drive, Woodheys, Sale, Cheshire.
 ELLIS, JOHN STANLEY, 51, Raffles Road, Birkenhead.
 GUNTON, FRANK RAYMOND, 50, Nunhead Lane, Peckham, Rye, London, S.E.15.
 HACK, ARTHUR SARGERSON, 72, Pinehurst Rd., Liverpool, 4.
 HACK, FREDERICK WESSEN, 72, Pinehurst Road, Anfield, Liverpool, 4.
 HAMILTON, STANLEY FRANCIS, 43, Stratheden Street, Belfast.

- HAYES, HERBERT, 60, Brackley Street, Farnworth.
 HENNING, SYDNEY LAURENCE, 99, Hesperus Crescent, London, E.14.
 HODGKINSON, LEONARD, 26, Sherwood Road, Lightwood Chase, near Longton, Stoke-on-Trent.
 HUGHES, JOHN MEREDITH, 9, Kempton Road, Burnage, Manchester.
 IRONS, ALBERT ALEXANDER, "The Croft," 123, Osborne Road, Romford, Essex.
 JACQUES, RONALD, 32, Beldon Lane, Horton, Bradford.
 JOHNSON, SAMUEL ERIC, 32, Kingswood Boulevard, Bibington, Wirral, Cheshire.
 JOHNSTON, ROBERT EDWARD LONGWORTH, 99, Chinbrook Road, Grove Park, London, S.E.12.
 KAY, RONALD, 24, Golf Links Road, Cottingham Road, Hull.
 KAYE-PARRY, RONALD, 5, Belgrave Road, Rathmines, Dublin.
 LEWIN, ANTHONY BATEMAN, Hazelmere, 17, St. Albans Road, Halifax.
 MCENTEE, PETER DONOVAN, Batten House, Haileybury College, Hertford.
 McLOUGHLIN, BRIAN PATRICK, 9, High Street, Chelmsford.
 MANSFIELD, HENRY ARTHUR, Gunning Arms, Cookstown, Co. Tyrone.
 MAYSMOR-GEE, THOMAS CHARLES, 72, Kingsley Road, Northampton.
 NAYLOR, FRANK, 63, Buncrane Lane, Blackburn.
 NESBITT, ROBERT STEWART, 41, Sandhurst Gardens, Belfast.
 NEVE, JOHN RUPERT HOVENDEN, 19, Keble Road, Maidenhead.
 NUNN, DAVID MICHAEL, 62, Manor Way, North Harrow.
 OWERS, RAYMOND, 260, The Broadway, Wimbledon, London, S.W.19.
 PEACE, GEOFFREY STANCLIFFE, 101, Dale Street, Thornhill Lees, Dewsbury.
 PHILLIPS, HAROLD VICTOR, Blackhurst, Northwood, Wem, Salop.
 POLLITT, ALBERT, 122, Cross Lane, Primrose Hill, Huddersfield.
 PRICE, UNA, 120, New Road, Llanelli.
 ROBINSON, FRANK JAMES, 24, Eastcote Road, South Harrow.
 SHARP, BERNARD NORCROSS, 3, Falkland Road, Southport.
 SLATTER, LESLIE ARTHUR, 39, De Laune Street, London, S.E.17.
 STEPHENSON, HUGH ELDERS, 9, Albion Terrace, Ripon.
 TARDIF, CECIL ARTHUR, 4, Mahaut Gardens, Collings Road, Guernsey, C.I.
 TAYLOR, FRED NOEL, 354, Medlock Road, Woodhouses, Ashton-under-Lyne.
 TAYLOR, JOHN FALLOWS, 40, Park Street, Fire Station, Leeds, 1.
 WATSON, FREDERICK ERNEST, 134, Victoria Park Road, Leicester.
 WHITTAKER, REGINALD, 13, Flowery Field, Woods Moor Stockport.
 WILSON, PERCY POWELL, Ringley Mead, Reigate.
 WORLEDGE, WILLIAM, 51, Greenhill Road, Leicester.

SUMMARY :—

*3 Candidates awarded Honours.**56 Candidates passed.**32 Candidates failed.**91 Total.*

The Accountant's Outlook upon Insolvency Practice.

A LECTURE delivered to the Yorkshire, Bradford and Sheffield District Societies of Incorporated Accountants by

MR. ALBERT V. HUSSEY,
INCORPORATED ACCOUNTANT.

Mr. HUSSEY said: The accountant's outlook upon insolvency practice is not a problem; at the most it can be merely the reflection of views of the persons making reference to it, and personal views can be dangerous for they may tend to be biased.

The experiences of all persons differ from each other, and no two outlooks upon anything can be absolutely identical, but some measure of uniformity of thought can be attempted when confined to a specific subject. To obtain improvements of any kind it is first necessary to reason whether they will prove to be acceptable and of benefit to the majority.

Mr. E. Furnival Jones, F.C.A., Incorporated Accountant, in a most admirable and fascinating address on "Some Accountancy Problems of Yesterday and To-day," reported in the *Incorporated Accountants' Journal* in February last, gave us some indication of what our professional fathers of 50 years ago engaged themselves upon. He told us that both the *Accountant* and the *Incorporated Accountants' Journal* were devoted mainly to points arising in Bankruptcy Law and Practice, and he referred to the diminishing interest in Insolvency; he reminded us of the remarks of Sir Josiah Stamp, who had expressed the view that possibly it could be explained in some measure by the fact that in those days it was not uncommon for an accountant to be called in only when things became very bad and the medicine of an arrangement or the quietus of a bankruptcy was required to be applied.

The present-day members of the profession cannot be expected to know what things were like 50 years ago; they can only hope that there is to-day a great improvement in what would appear to be the appalling trading conditions of half a century ago, when it seems that accountants were required mainly to exercise their skill to wind up businesses or to endeavour to put them on their feet, if, by some miraculous turn of events, they got into the hands of accountants before it was too late.

The profession of accountancy would have very good reason to congratulate itself if the foregoing were borne out by the facts, but let us refrain from accepting any bouquets for the moment, lest, upon closer enquiry, we find that the diminishing interest in insolvency is associated with other factors.

Let us consider the following Table which I have constructed from official records:—

SOME INTERESTING FIGURES RELATING TO INSOLVENCIES.

Bankruptcies.

50 years ago (The average of five years)	No. of Cases.	Estimated Liabilities. £	Estimated Assets. £
1930	4,444	8,662,462	2,811,577
1931	4,133	9,519,048	1,812,582
1932	4,403	11,115,491	2,250,382
1933	4,645	10,131,126	2,075,388
1934	4,110	6,595,204	1,300,058
1935	3,623	6,275,129	1,301,425
1936	3,523	5,811,033	1,084,364
	3,249	4,792,990	1,337,037

Deeds of Arrangement.

50 years ago (The average of five years)	No. of Cases.	Estimated Liabilities. £	Estimated Assets. £
1930	3,527	5,984,291	3,037,660
1931	1,960	4,767,455	2,202,007
1932	2,415	5,411,931	2,685,091
1933	2,676	6,291,105	3,167,278
1934	2,102	3,818,281	1,770,822
1935	1,861	3,547,036	1,398,802
1936	1,635	5,165,069	1,591,832
	1,598	2,700,863	1,186,307

Liquidations—Number of Cases.

	Com- pulsory.	Super- vision.	Volun- tary.	Total.
1891	..	120	32	722
The first Annual Report				874
1892	..	117	53	921
1893	..	139	43	860
1930	..	345	8	2,760
1931	..	381	9	2,804
1932	..	349	2	2,712
1933	..	342	5	2,600
1934	..	331	2	2,568
1935	..	350	3	2,711
1936	..	314	2	2,874

Note.—No information is available as to the amount of assets and liabilities involved in present-day liquidations.

It will be noted in the Table supplied that there has been a marked reduction in bankruptcies and deeds of arrangement since 1932, but no appreciable change in liquidations. I will make further reference to the Table later on.

The Press confines its published matter to what it thinks is of interest to the public, and, strange as it may seem, insolvency is not excluded.

I was in Edinburgh a few weeks ago and purchased an evening paper in which great prominence was given to a report on the public examination in London of a bankrupt whose liabilities were £1,664 and assets *nil*, and on the very next evening in Glasgow my evening paper likewise gave great prominence to the affairs of a bankrupt in another part of England. Last month much publicity was given to a "share-pushing" case in which the Common Serjeant made the observation: "If any case exemplified how important it was that an undischarged bankrupt should not be a director of a company, it was this case." On reflection, does it not seem that it is owing to the growth of the membership in our profession and the wider scope for different work that there appears a diminishing interest in insolvency, and not wholly to any diminishing number of insolvencies?

Who deals with all these insolvencies? We should like to think that only qualified accountants who had passed examinations at least equal to our own were privileged to undertake this work, but we all know that no specific qualification is necessary; in consequence, many of the trustees and liquidators appointed are neither Chartered nor Incorporated Accountants. I do not desire you to read into this that those who are neither Chartered nor Incorporated Accountants are necessarily incompetent or dishonest.

How do such persons find favour with creditors, whose support is necessary to secure appointment in insolvency cases? Many are the ways relied upon, and it is often the voice of one man which influences the decision of a meeting of creditors; he relies on the representation of a

few creditors, and a certain knowledge of insolvency with which to impress those in attendance. A frequent ruse is for a person claiming to represent certain creditors to pledge his support to a favoured nominee on the understanding that he will be remunerated for his support. Some of these people have succeeded in influencing a meeting to vote for the appointment of a particular person, when they had no right to be at the meeting at all, being without instructions to act for any creditor. These practices are not confined to non-qualified accountants, and, whilst it is necessary to admit that there are a few extremely clever black sheep within the fold of accountancy, the same applies to a dangerous few of the legal profession.

These unpleasant references must strike you as being audacious, but who can be in frequent attendance at meetings of creditors without the wits being sharpened and the thought passing through one's mind that the young accountant contemplating practising on his own account can scarcely hope to have an insolvency case, or be privileged to retain one, unless he is prepared to adopt practices which are against the rules and regulations of the profession?

There are hundreds of trade protection societies throughout the country, and many admirably fill a great need in their particular trade, but accountants have known to their cost that some of these societies make such use of the information which they rightfully obtain as a trade protection society that they soon become keen competitors for insolvency work.

A condition of membership of some of the trade protection societies is that information must be supplied immediately respecting notices of meetings of creditors received by the member. There is nothing wrong in this, but imagine the power conferred upon a trade protection society the morning after an accountant or solicitor has issued notices of a meeting of creditors on behalf of a client who is anxious to do the right thing and discuss his position with his creditors.

The telephone bell at the office of the trade protection society is buzzing furiously with calls from members who faithfully comply with the condition of membership requiring them to notify the Society of any invitations received to attend meetings of creditors. However small the interest of the member, a statement of claim is thankfully received and the member is informed that his interests will be fully protected at the meeting by one of the Society's experienced representatives. It does not require many claims to add up to the useful figure of £50, when a bankruptcy petition can be glibly referred to if there is any obstruction to the society dictating to the debtor what he is required to do.

Another and perhaps more dangerous form of competition comes from the person who, for a fee never disclosed to creditors, undertakes to prepare a statement of affairs, hold a meeting of creditors, and submit an offer on behalf of the debtor, which, if accepted, will avoid publicity of any kind. How creditors fall for this! Of course, the offer often compares favourably with the forced realisable value of the assets shown in the statement of affairs, and the person holding the meeting stresses what would be the likely result in terms of dividend should the offer be declined and a realisation of assets undertaken. Creditors can scarcely be blamed for lending a willing ear to such overtures, especially when one realises that many of them have paid very dearly indeed for endeavouring to maintain a strict business morale amongst the customers associated with their particular trade. Further, already they know of far too many cases

where, owing to unsatisfactory features elicited at a meeting of creditors, they have insisted upon bankruptcy or compulsory liquidation only to find that the debtor has suffered a nominal suspension of his discharge from bankruptcy or the directors have flouted the authority of the Court as well as the Act of Parliament, yet no punishment of any kind has been inflicted.

Cases where fraudulent preferences have been discovered but could not be established in the eyes of the law because the trustee or liquidator was unable to prove "intent to prefer," have cost creditors thousands of pounds. The Director of Public Prosecutions, whose purse appears limited, receives a large number of cases from trustees and liquidators who have spent considerable time upon their investigations, frequently without prospect of reward owing to the absence of assets, but unless a case is likely to result in a conviction, or is of some public interest, it is frequently not taken up. Yet with all this, can our profession countenance the expression of opinion frequently heard, that the Bankruptcy and Companies Departments are useless whilst the law remains in its present unsatisfactory state?

If a series of burglaries or other crimes take place and the police fail to find the culprits, is there an agitation for the police force to be disbanded? What is required are constructive suggestions for an improvement in the existing provisions, and one feels that the legal and accountancy professions should be able to render a valuable service to the State in this direction.

Before passing on I will make no excuse for again referring to fraudulent preferences. We are not lawyers, but, as accountants, we are expected to be familiar with much that is law, and it seems more than strange that, whilst circumstantial evidence plays such an important part in certain branches of the law, yet in an important matter like fraudulent preferences it is insufficient, and one is set the impossible task of proving what a man was thinking when he committed the act which it is desired to attack as being fraudulent. Doubtless in due course this and other loopholes will be closed to the unscrupulous.

To whom does the doctor turn for guidance when in doubt? Surely it is the specialist. The lawyer turns to counsel; but what of the accountant—to whom does he turn when in doubt? It seems that the accountant relies upon lawyer and counsel if it is law that is his problem, but what of accountancy as distinct from law? Where is the equivalent of specialist or counsel to whom he may turn for guidance? What would the average accountant do if he should be approached to undertake the audit of a railway company, banking institution, insurance company, or any other extremely large undertaking? Would he at once refuse the work on the grounds that he was without previous experience of such work, or would he accept appointment and hope for the best? A few years ago no accountant could claim experience of the audit requirements of such undertakings as air services, motor car manufacturing concerns, combines, and, later still, football pools.

Those who have lived sufficiently long to have already acquired enough of this world's earthly possessions to see them through for the rest of their lives, and to make reasonable provision for their dependents, may decline to compete or to accept work with which they are not familiar, but there are some who do not turn down work no matter what it involves, and it is with regard to this aspect of accountancy in general, and insolvency in particular, that we are now concerned.

I would like to take this opportunity of saying that we

of this profession are indeed most fortunate in the heritage which is ours, viz., professional pride and good fellowship. I am sure that we have all shared the same experience of meeting a complete stranger, but the knowledge that he is of our profession seems to bring out that indefinable something which causes us to be more than proud that we share with him the good fortune of being associated with the accountancy profession. We all know that there are many accountants who do not have the opportunity of undertaking insolvency work, or prefer not to disturb their office organisation to accommodate an occasional insolvency case. Likewise we possess the knowledge that insolvency work is undertaken by quite a number who are neither Chartered nor Incorporated Accountants, but who, nevertheless, understand the important aspect which concerns our clients, viz., "how much in the pound can this estate be made to produce?" Even if we do not undertake insolvency work we have a very real indirect interest in the subject, because each of us knows that one of the most important items carried to the debit of profit and loss account can be "bad debts written off as irrecoverable."

More than one insolvency case has resulted in bringing about the downfall of another business, which could have been avoided had a greater restriction been placed on the credit facilities granted by the creditor. At times we have cause to wonder whether our clients appreciate what additional turnover must be done to earn a net profit equal to a bad debt suffered. Of course, we know that our clients endeavour to be careful and try not to run too great risks, but if we reflect upon the debtors outstanding at any period, paying particular attention to those debtors who have failed to pay promptly or who have induced our clients to grant them extended credit, we often have the opportunity to point out an uneconomic position relating to debtors.

Again, as accountants we know that, notwithstanding the mechanisation of book-keeping, a vitally important aspect of the sales ledger accounts is the heading of the accounts, i.e., the correct name and address of the customer, as well as the trading name; the names of the partners or directors, together with information respecting debentures or charges registered in the case of limited companies. We cannot understand why, at a meeting of creditors, our clients are surprised to learn for the first time that their customer, J. Brown & Co., is in fact, a limited company, and, worse still, that there is a debenture in existence which requires to be satisfied before any distribution can be made to the unsecured creditors. On the other hand, we have to acknowledge the business acumen of the client who informs us that he is not complaining because he felt there would be a failure fairly soon and he decided to "get out while the going was good," and succeeded in obtaining a reduction of £500 in his account within the last few months, now being a creditor for only a small balance.

Now perhaps we can revert to the statistical information which indicates that, if the reduction in insolvencies recorded since 1932 continues, the outlook for accountants regarding insolvency practice is not too bright. Does the reduction reflect a continuous falling off of insolvencies which will be permanent? A review of the official records over a long period shows that a few years of reducing figures is followed by a few years of increasing figures. Further, the present trading conditions are bound to attract capital to a variety of trades which will be unable to support them through a period of depression such as surely will follow the completion of the Government's rearmament programme involving an expenditure of £1,500,000,000 over a period of the next few years.

Most of us still have in mind the depression which caused so much uneasiness and which was saved from getting out of bounds by the introduction of a series of economy programmes. Doubtless the high figure of insolvencies about that time can be clearly associated with that depression, but one does wonder if the present low figures truly represent the total losses suffered by the trading community. I have made previous mention of the private compromise which avoids publicity, and it may well be that part of the reduction at present shown in official figures is accounted for by the figure of loss which finds no home in the records so ably kept by the Board of Trade.

If the future holds no better hope than a weak-kneed policy of creditors accepting private compromises from defaulting debtors, the accountancy student might well close his books relating to this subject and press for its deletion from the examination curriculum, but since the principal cities of this and other countries, at all times, contain persons who endeavour to get rich quickly and make the most of every loophole, there is an urgent need to close each loophole with all speed immediately it is discovered. The dangers of private compromises are many. Here are a few:—

- (1) Without independent investigation for and on behalf of creditors, the statement of affairs may be extremely misleading as to the capacity of the defaulting debtor to pay his creditors.
- (2) Without publicity that a debtor has met his creditors and paid only a portion of his indebtedness in full settlement of the claims outstanding against him, he is free to contract further liabilities with unsuspecting creditors who may be entirely without knowledge that they are dealing with a person who has previously failed to pay 20s. in the pound.
- (3) The gateway is left wide open for abuse, and our clients are left at the mercy of unscrupulous debtors and their advisers should they have the misfortune to find themselves involved with such people.
- (4) Business upon credit terms will become even more hazardous; in fact, highly dangerous.

This shows the importance of just and honourable publicity, which, incidentally, is recognised by law, which requires the publication, by advertisement and otherwise, of many of the details associated with insolvencies.

- (3) The gateway is left wide open for abuse, and our clients are left at the mercy of unscrupulous debtors and their advisers should they have the misfortune to find themselves involved with such people.
- (4) Business upon credit terms will become even more hazardous; in fact, highly dangerous.

Presumably it can be taken for granted that London has the most insolvencies, but the creditors in these insolvencies are certainly not confined to London, and it behoves the provincial creditor to use every discretion when involved in a failure in a distant city.

We have a duty to ourselves as qualified accountants to impress upon our clients the need for insisting that complicated matters, like insolvencies, should be dealt with only by qualified persons who can be very severely dealt with should they attempt to stray from the straight and narrow path, whether the matter they are engaged upon comes under official purview or not.

In olden days debtors suffered badly at the hands of their creditors, and we find it incredible to believe that, in certain circumstances, creditors even possessed the right to have the body of a debtor destroyed. Gradually the law changed, and debtors obtained a measure of relief and freedom from their creditors, who, it seems, frequently exhibited themselves as a hungry pack of wolves, thereby necessitating legislation to protect the debtor.

The advent of joint stock companies made it possible for persons to limit their losses to the amount of the

shares issued to them. The abuses to which the Act of Parliament has been subjected, whereby unscrupulous persons have been able to rob creditors right and left, and instead of suffering a financial drowning themselves, they have been able to shelter behind the Companies Act, 1929, and repeat the process by the formation of new companies, are too widely known to this audience to require any detailed references by me.

The lenient manner in which debtors or directors have been dealt with in recent years; the lack of legal decisions favourable to creditors, as in the cases of fraudulent preferences, and the responsibility of directors for fraudulent trading, to quote just two, show what a complete change-round there has been, which perhaps justifies the expression of opinion that debtors and directors of defaulting companies now belong to a pampered class. It is pointed out to us that the laws cannot be altered every few weeks or months merely because a few persons manage to take advantage of a weakness found here and there in the existing law. Income tax attracts new legislation quickly enough to stop abuses.

So far I have avoided personal contentious matters, but since the title of this paper rather suggests that personal views may be referred to, I will risk incurring your wrath by saying that the outlook of many accountants upon insolvency practice is one of appalling apathy. If he thinks anything at all about it, it is that insolvency is really beneath his dignity, yet he will, with pleasure, refer to another back duty case in respect of which he has been favoured with instructions. In many back duty cases the client is a rogue, or, shall we say, careless with a purpose. Many debtors and directors of companies who have to admit failure to meet their obligations are a long way from being rogues.

The accountant I have in mind is quite sure that only through "touting" is it possible to obtain appointment in an insolvency; therefore, the fact that he does not hold himself out to do this work is his passport granting him immunity from attack that he "touts" for business. This lasts until he finds himself in the position where an insolvency case is his if only he can obtain the support of the creditors. He may do nothing by way of approaching creditors, but if at the meeting creditors suggest an accountant known to them to deal with the case, then he will talk of the audacity of the suggestion, inferring that one accountant is better than another, and so forth. What would be his attitude if he required legal advice on a matter which was personal to him? Would he tolerate a suggestion that he was not free to go to whomsoever he pleased.

The same thing applies to creditors; when a debtor or company is unable to pay its way, the auditor has to retire gracefully if the creditors so desire, for it is they who, by Act of Parliament, are privileged to call the tune in deciding who shall administer the affairs of the person or company in whom they are interested. The debtor or shareholders are without pecuniary interest in the matter pending the creditors receiving 20s. in the pound. Strangely enough, these accountants would not dream of offending against professional etiquette respecting any other type of accountancy work.

I well remember a rather large insolvency case when at the private meeting called by the debtor's solicitor there was a difficulty in finding a person willing to act as chairman, notwithstanding the attendance of the representatives of quite a number of banking institutions whose claims were very substantial; eventually I was invited to take the chair. I discovered that the principal trade creditor had notified his inability to attend that day,

and in due course I proposed that the meeting should stand adjourned to enable the largest trade creditor, of whom I had never heard previously, to attend, since the time and place of the meeting had been fixed without his knowledge or consent. At the adjourned meeting the principal trade creditor attended with his accountant, a very distinguished member of our profession known by name at least to the whole of this audience. He said that professional etiquette required me to occupy the chair; I suggested that my training in unwritten principles appertaining to insolvency cases, plus professional etiquette, required me to stand down in his favour; further, that I should render him all possible support consistent with my duty to my clients. I represented my clients on the committee, and the association with the largest trade creditor's nominee, as trustee, was an extremely happy one, although, of course, entirely without recompense, as this would have offended against the law and the rules and regulations governing the members of the accountancy profession.

Trade customs appertaining to insolvencies are not recognised officially, but until some better scheme can be thought out I am convinced that such a principle as supporting the wishes of the principal trade creditor works out, in the long run, to advantage to creditors, debtors and accountants, and does much to obviate unpleasant proceedings, which, if not checked, can only result in lowering our prestige with the trading community.

I think we should all remember that an honest debtor is in need of all the help he can get, and it is therefore all the more unfortunate should he be advised to act against the wishes of his creditors; further, it seems to me unprofessional to the extreme if the advice emanates from the debtor's accountant or solicitor.

There is much room for improvement regarding existing provisions relating to insolvencies, and I have no doubt that, when required so to do, our profession will give of its best to help the authorities to bring about substantial improvements.

Reviews.

Building Society Book-keeping. By Eric G. Howe.
London : MacDonald & Evans, 8, John Street,
Bedford Row, W.C.1. (238 pp. Price 12s. 6d. net.)

The author of this book has acted in the capacity of secretary of a building society for some years and is therefore familiar with the general requirements of such societies. In this work he brings under review the more important matters which a building society official must know in order to properly record the society's transactions, and at the same time endeavours to meet the requirements of students preparing for the examinations of the Building Societies' Institute. The text of the book is profusely illustrated with examples and the matters required to be recorded in the different books are fully explained, including the share and deposit ledgers and the mortgage ledger. A final chapter is devoted to mechanical accounting, the uses of the various types of machines being explained.

Insurance Companies' Accounts. By G. H. Robertson.
A.L.A.A. London : Sir Isaac Pitman & Sons, Ltd.,
Parker Street, Kingsway, W.C.2. (194 pp. Price
10s. 6d. net.)

Designed primarily for students sitting for the examinations of the Chartered Insurance Institute, this book embodies the requirements of recent legislation and explains at some length the various operations relating to insurance matters, taking the student step by step

from the original entries in the premium and claim registers up to the preparation of the profit and loss account and balance sheet. Amalgamations, reconstructions and winding-up of insurance companies are also briefly considered.

The Substance of Economics. 10th Edition. By H. A. Silverman, B.A. London : Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway, W.C.2. (342 pp. Price 6s. net.)

This publication has been described as a miniature encyclopaedia on economics. It will be found specially useful to the student who desires to acquire a general knowledge of economics without having to wade through a vast amount of technical matter. The explanations are clear and precise without being lengthy, and the matter is well arranged. The main headings comprise production and consumption, the theory of value, distribution, the mechanism of exchange and public policy and finance.

Income Tax Explained. By K. A. Coles, M.A., F.C.A., and John MacDonald, M.A. London : Jordan & Sons, Ltd., Chancery Lane, W.C.2. (182 pp. Price 5s. net.)

Anyone wishing to acquire a general knowledge of income tax matters without being burdened with detail will find in this book what he requires. It deals with questions arising in many different circumstances and gives a brief explanation of the law bearing upon them. The book is hardly applicable where precise information is required and references to decided cases are seldom given.

Company Accounts and Balance Sheets. 2nd Edition. By Michael Moore, F.C.A. London : Jordan & Sons, Ltd., Chancery Lane, W.C.2. (140 pp. Price 5s. net.)

This book appears to be designed mainly for the use of company directors and business men, the information it contains being of a general character, including explanations of many matters which are common knowledge amongst accountants. At the same time the book contains a very useful description of the general working of a company, including procedure in relation to meetings, the responsibilities of directors, income tax, and many other matters.

The Companies' Diary and Agenda Book, 1938. Edited by Herbert W. Jordan. London : Jordan and Sons, Ltd., Chancery Lane, W.C.2. (Price 4s. net.)

The editorial matter in this diary gives much useful information regarding matters arising in the daily work of a company secretary. In addition to the provision for daily records, it contains space for minutes and other memoranda. It is a useful book for a secretary to have on his desk.

The National Defence Contribution. By H. E. Seed, A.C.A., A.S.A.A. London : Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway, W.C.2. (96 pp. Price 7s. 6d. net.)

The author has embodied in this little book the result of his experience in dealing with a number of questions relating to the National Defence Contribution ; also his views on other N.D.C. questions which he considers likely to arise. The explanations are given in non-technical language, and are illustrated by numerous examples of computations applicable to varying circumstances, including the option to individuals and partners to have an allowance for remuneration, and the merging of trading results of parent and subsidiary companies. The appendix contains the whole of the provisions of the Finance Act and Schedules relating to this subject, together with the regulations prescribed by the Commissioners of Inland Revenue. The book is thus complete without reference to any outside source.

Incorporated Accountants of Nottingham, Derby and Lincoln.

ANNUAL DINNER.

The annual dinner of the Incorporated Accountants' District Society of Nottingham, Derby and Lincoln was held at the Victoria Station Hotel, Nottingham, on December 2nd, under the chairmanship of the President, Mr. J. T. SINGLETON.

The guests included : The Lord Mayor of Nottingham (Councillor W. Hooley), Mr. Walter Holman (President of the Society of Incorporated Accountants and Auditors), the Sheriff of Nottingham (Alderman W. Halls), Alderman Sir Albert Atkey, J.P., Sir Ernest Jardine, Mr. C. P. Berry (President, Nottingham Institute of Bankers), Mr. A. A. Garrett, M.A. (Secretary of the Society of Incorporated Accountants), Mr. L. Skempton (President, Nottingham Insurance Institute), Mr. W. S. Rothera (President, Nottingham Law Society), Mr. S. Blythen (President, Nottingham Society of Chartered Accountants), Mr. A. C. Radford (President, Nottingham Chamber of Commerce), Mr. Bernard H. Wallis (President, Lace Federation), Mr. W. O. Burrows (Secretary, Nottingham Chamber of Commerce), Mr. G. B. Blunden (Inspector of Taxes), Mr. A. Rogers (Official Receiver in Bankruptcy), Mr. R. M. Branson (member of the Council), Mr. M. P. Ferneyhough (President, Incorporated Accountants' District Society of North Staffordshire), Mr. A. W. Watson (President, District Society of Birmingham), Mr. W. H. Fox (President, District Society of Leicester), Mr. W. T. Manning (Secretary, District Society of Leicester), Mr. A. Southern (Vice-President, Manchester District Society), Mr. A. F. T. Girling (Vice-President, Sheffield District Society).

The CHAIRMAN submitted the toast of "The City and Trade of Nottingham." He said they were glad to hear that the Prime Minister and Chancellor of the Exchequer were optimistic in regard to the future of the country's trade. In spite of this optimism, they had seen lately a very heavy fall in prices on the Stock Exchange. It was true that these prices were now slowly rising, but they were far below the previous high level. Why did this happen when the large industries were so prosperous ? It showed that, in spite of all the optimistic talk of their leaders, the man in the street did not feel confident about the economic situation. To his mind, the drawback was that so much of the present prosperity was due to the manufacture of war material. The part that was so represented was false prosperity, and the heavy industries were bound to feel a draught sooner or later, and a set-back in trade would occur. Speaking in Nottingham last week, Sir John Simon said we were now in a far better position to face a trade decline than in 1931. One big factor in the country's favour was that the export trade was improving, but they must not look only on one side of the picture. Our imports were increasing tremendously, due chiefly to increased purchases of grain, foodstuffs, timber, wool, iron and steel (the latter being more than double the 1936 total) and non-ferrous metals. The influence of re-armament was clearly apparent in the last two items. The excess of imports over exports for the ten months to the end of October was £64,000,000 up on last year, and it might be that the total visible adverse balance by the end of the year 1937 would be in the region of £75,000,000. The question had been asked whether this meant that we were living on our capital invested abroad. Apparently this seemed to be the case, but any increase in our invisible

exports must be taken into consideration. No doubt these would be considerably higher in 1937 than last year. The shipping earnings should bring in many millions more, and our receipts from foreign tourist traffic should be well up. Sir Robert Kindersley had shown recently that repayments of foreign investments normally amounted to some £30,000,000 to £50,000,000 a year, so that the mere fact that we had stopped fresh lending abroad involved some diminution in our total overseas investments without any actual sales by their holders. The decline in our overseas investments might not matter if it were merely a case of converting capital invested abroad into capital invested at home. If we regarded re-armament as capital expenditure, this was no doubt what was happening. Unfortunately, however, armaments brought in no return of interest as did the foreign investments we had been disposing of to pay for them. With the toast he had pleasure in coupling the name of the Lord Mayor of Nottingham, Councillor W. Hooley.

The LORD MAYOR, in acknowledging the toast, thanked Mr. Singleton for the kind manner in which he had proposed it. While the large housing estates they had built were necessarily on the outskirts of the city, they had not, he said, forgotten the considerable proportion of workers whose employment obliged them to reside near the centre. Adequate transport was one of their most difficult problems. In road and street widening they had endeavoured to adapt their thoroughfares to modern traffic requirements, so that visitors and customers coming into the city might have freest access to all parts. Their parks and open spaces might not have much to do with trade and commerce, but they were great residential assets. The beneficial effect of advertising was well known, and to this end he was looking forward to the great Nottingham Trade and Industries Exhibition to be held in the city next July. This would be on a scale not hitherto attempted in the city, and would create an opportunity of bringing Nottingham's manufactures before the world. He paid a high tribute to the accountancy profession, and alluded to the important influence it had on business undertakings. From the records of the Society of Incorporated Accountants, he learned that they strove to inculcate the greatest accuracy, foresight and business training. It was the exercise of these qualities that had made the accountant so essential in the commercial world to-day. Their motto was Reliability and Integrity, and he was certain that their Society and the others in the accountancy profession in Nottingham wished to adhere to that high standard. (Applause.)

Alderman Sir ALBERT ATKEY, J.P., submitted the toast of "The Society of Incorporated Accountants and Auditors," with which he coupled the name of Mr. Walter Holman. He said that he had recently received a brochure entitled "The National Defence Contribution," compiled by two eminent members of their Society. What had attracted his attention in it had probably passed unnoticed by their members. He alluded to the two concluding paragraphs of the preface. From the point of view of the taxpayer they provided painful reading, for, while they pointed out that the National Defence Contribution in its present form was a revulsion from the more elaborate original proposals, closer study revealed that its simplicity was relative rather than absolute—(laughter)—and in practice, anomalies were likely to be the rule rather than the exception. They were tolerable only because of the low rate of duty, which seemed to put morality in terms of pounds, shillings and pence. The final paragraph was as choice a piece of English as he had been privileged to read. The doctrine that there

was no room in a taxing Act for equitable considerations had been thoroughly propounded on many occasions, and the Finance Act of 1937 should win adherents to this creed. The triumph of the final words was "No interpretation of any of the sections or rules should be rejected merely because it may be repugnant to equity or to common sense." In 1933, Sir Albert pointed out, new laws filled 1,000 pages of matter. In addition, Ministers were empowered to make rules and regulations which had all the force of Acts of Parliament, and these filled 2,000 more pages. It would not be long before everybody would be in the position of the young lady who had committed a motoring offence and who pleaded that she should not have her licence endorsed. She was told that anybody with an unendorsed licence would soon be a curiosity. As Incorporated Accountants claimed to be guides, philosophers and friends of business men, he asked them to join in preventing them from being overwhelmed by all sorts of laws and regulations, and to resist the avalanche of bureaucratic control. He concluded his speech with tributes to Mr. Henry Morgan, whose name was sufficient guarantee from the national point of view, and to Mr. F. A. Prior, who was sufficient guarantee from the local point of view, that their Society was a really powerful one, and he hoped that it would divert its energies from the bureaucratic to the democratic side of commercial life.

Mr. WALTER HOLMAN (President of the Society of Incorporated Accountants), in reply, said he was grateful to Sir Albert Atkey for his free advertisement of the brochure published by the Council, but must disclaim Sir Albert's suggestion that they were responsible for the morality, or lack of morality, embodied in the new taxation proposals. Sir Albert should know by this time that taxation was governed by the Income Tax and Finance Acts and not by considerations of morality or of equity. The original proposals for the National Defence Contribution would have been a nightmare of complications, and the accountancy profession, as well as the business community, had reason to be thankful that they had been replaced by proposals and provisions which were in comparison definitely simpler. While hoping that the publication of the brochure would be of assistance to their members, Mr. Holman suggested that they were not over anxious that it should be of assistance to the commercial community, but rather that the commercial community should depend upon Incorporated Accountants for this service, which they would be only too happy to render. (Laughter.) He wished to thank the members of the District Society for the invitation to hold the next autumnal conference in Nottingham. This would receive the most sympathetic consideration. According to its Memorandum of Association, the Society existed "to promote and foster in commercial circles a higher sense of the importance of systematic and correct accounts," and paraphrasing this he would say their job was to educate the commercial community in the knowledge of the services which professional accountants could render to it. When he used the words "professional accountants" he meant those in public practice, whether Incorporated or with any other designation, who were directly and personally responsible for their own work and who were subject to professional restrictions, one of which was that they must not advertise themselves. Whether they liked it or not, modesty was the compulsory badge of all their tribe. The Society was under no such self-denying restriction, however, and he, as President, was free to sing its praises and those of his professional brethren. An accountant's job could be summarised under two headings, namely, to ascertain the truth and to tell the truth. To ascertain the truth sounded easy, but often

it was far from that. Technical skill was always required, sometimes skill of a very high order. He gladly recognised that many concerns possessed efficient accounting systems, but many (even now) did not. Even where the facts and figures were easily ascertained, the correct interpretation of those facts and figures required trained and experienced capacity. He would remind them of the saying that figures could be made to prove anything. Disaster might well follow the abuse or misuse of figures which were in themselves correct. In days gone by an accountant was largely concerned in the mere arithmetical checking of accounts and records, but to-day, owing to the improvement in the general level of keeping records, accountants could, if they were allowed and instructed, concentrate on the more important and the more productive work of analysing, departmentalising and interpreting results. Their work was also to tell the truth. Again, it sounded easy, but again it was often far from that. It required character and independence, and sometimes moral courage of a high order, since the truth was not always pleasant, and there were those who did not want to hear the truth, or, having heard it, did not want it repeated to others, to bank managers, shareholders or Revenue authorities. He would remind them that the Society's motto was *Fides atque Integritas*, and that their duty was to offer to the commercial community the best services of their members. He would adapt the modest claim of agents for the sale of theatrical tickets—"You want the best accountants ; we have them." (Applause.)

Mr. STANLEY WALLIS (Honorary Secretary of the District Society) submitted the toast of "The Guests." He said that accountancy was constantly in search of truth and accuracy. It might be imagined that such a profession would be rather a dull and uninteresting one, but he could assure them that this was not the case. It was very interesting and could be at times exciting and even amusing. They were pleased to have as their guests the chief citizens of Nottingham in the persons of the Lord Mayor and the Sheriff. In Mr. Holman they had a very distinguished President, a worthy successor to other distinguished men who had preceded him in the past 52 years. He was a man of modest and retiring disposition, constantly in search of the objects of their motto, and all the members of the Society were very proud of him. Industry and commerce were represented by Sir Ernest Jardine, Sir Albert Atkey, Alderman H. Bowles, Mr. A. C. Radford (President of the Chamber of Commerce), and Mr. Bernard H. Wallis (President of the Lace Federation). The professions were represented by Presidents of various professional bodies, Mr. W. S. Rothera, Mr. L. Skempton, Mr. C. P. Berry, Mr. S. Clarke, Mr. G. B. Blunden. Last, but not least, there was their worthy Secretary from London, Mr. A. A. Garrett.

Mr. W. S. ROTHERA (President of the Nottingham Law Society) acknowledged the toast.

The health of the Chairman was proposed by Mr. H. BENNETT PLATTS, A.S.A.A., and Mr. SINGLETON briefly replied.

"Practising Accountant and Secretary."

A notice has been issued by Sir Isaac Pitman & Sons, Ltd., the publishers, that the *Practising Accountant and Secretary* has ceased publication with the issue of December 31st. In this connection it is stated that an arrangement has been arrived at with the publishers of the *Accountant* for Sir Isaac Pitman & Sons to become associated selling agents of that publication. The first number of the discontinued magazine appeared in January, 1937.

Mr. Arthur Chambers, A.S.A.A., has been appointed Chairman of the Finance and Law Committee of Worthing Corporation.

Educating Our Students.

EXTRACTS from an Address delivered at the Thirty-fifth Annual Meeting of The Dominion Association of Chartered Accountants held at Vancouver, British Columbia, in August, 1937, by

MR. KRIS A. MAPP, F.C.A., A.S.A.A.
Toronto, Canada.

You will agree with me, I know, when I say that educational work of any kind involves some acknowledgment of an aim, some plan of action, some judgment as to the means to be employed. May I therefore be permitted to dwell for a short time, firstly on the prospective student, secondly on what I shall term some phases of practical education, then on academic or technical education, and closing with a few thoughts on the reaction of our students to what is being done in their behalf.

I think we must all confess to difficulty in selecting young men suitable for our profession. This is not unnatural, for those who come to us seeking employment differ so greatly in temperament, character, intelligence and personality. But if we are to retain and improve the status of our profession, then must we exercise still greater care in the selection of our candidates. This, in part, can be accomplished, I believe, in educating ourselves to become better judges of general ability, character and personality, and placing greater importance on educational standards required to qualify for training and on previous educational performance. Of course, this will not overcome all our difficulties and we shall possibly always have the problem of students who prove disappointing, even though they commence under most auspicious circumstances and conditions. This may be on account of lack of interest, lack of adaptability, or it is conceivable that the fault may rest not with the student but rather with the employer. I think possibly some of us have assumed the responsibility of attempting to train too many students concurrently and I notice with satisfaction the tendency to restriction in the number of students that may be registered with an accountant. But whatever the cause, do we do what we should to correct it ? Do we face the issue, or do we allow some students to continue year after year attempting to qualify for something for which they are eminently unfitted ? I appreciate it is a delicate problem but we must remember that the student of to-day is the practising accountant of to-morrow and, as such, he will play his part in influencing the public to either give or withhold its confidence, its respect, its stamp of approval. I believe, then, the first essential in our policy of education is to satisfy ourselves that we are choosing the right type of young men to be educated, for as much depends on the human material we attempt to shape as on the devices through which we attempt to do the shaping.

Now, what of practical education ? For a term of five years or more we have under our direct control and influence young men who are striving for a definite objective. During that period at least our students are seeking after knowledge and during that period, whether we admit it or not, we assume the role of teachers. We, by hypothesis, know the facts better than our students and our business is, therefore, to help them to share our knowledge or, if possible, to improve upon it. I do not intend to dwell longer on this phase, as I believe here we can lay claim to a reasonable measure of success.

Let me, then, approach the question of education as the training of personality. Personality is an outward

manifestation of something that grows from within. It does not of necessity mean the possession of additional faculties which are denied other people, but rather the possession and development of those powers in a manner that is different from the majority of people. Do we, as a matter of fact, train our students as individual persons? If, on the other hand, we think of them as cogs in a wheel, if we regard them as essentially inferior to ourselves, we shall inevitably attempt to mould them solely according to our own ideas. We shall try to make them treat our standards of knowledge as unconditionally binding. But if we do so we shall hinder and not help their progress towards true personality, for they will not be achieving value for themselves. Authority and discipline are necessary, I know, but they must always be means to the attainment of a higher end. I am sure we have all come in contact with students who have an insatiable thirst for acquiring knowledge and who fail to make proper use of it after it is acquired. And so it behoves us to educate them in the social aspects of intelligent life—in communication with others, in self-expression, in the interchange of ideas, in conversation, in writing—in other words, developing their individualism and personality.

There is another aspect of student training, that of the development of sound judgment. Proficiency in accounting work is largely a matter of experience and judgment; the underlying theory of the science is not particularly profound. The test comes when we attempt to apply the general fundamentals to the infinitely varied and complex situations found in the world of commerce. Factual information and accuracy in its procurement are essential, but its value is submerged unless with it is synchronised the development and training of the judgment. How best, then, can this be accomplished? The answer lies, I am satisfied, in challenging our students to think for themselves. With the excellent facilities made available to them for acquiring knowledge it perhaps becomes easy for our students to accept facts without any attempt at analysis, but if they do so they are attaching no importance to the demands that will be made upon them in professional life for careful thinking and sound judgment under ever-changing conditions. If, then, we can emphasise the necessity for careful analysis and thought in technical education, we have paved the way for the exercise of sound judgment in business. But our responsibility does not rest there. We must impress upon their minds that good guessing can never take the place of systematic and deliberate reasoning. We must make them realise that the solution of business problems not only calls for an orderly marshalling of facts but, what is equally important, careful analysis and logical reasoning from such facts, the formation and establishing of effective conclusions and the exercise of sound judgment. If we accomplish nothing else, we shall have accomplished much if we succeed in teaching our students to think.

May I dwell for a moment on one other matter? Youth is the season for impressing and determining those principles which in future life regulate the conduct; it is, further, the season for acquiring the habits which will accompany us to the latest period of existence. And so I know of no better time to emphasise each of the important factors which make up the general total of ethical procedure and the paramount importance of the observance of a strict code of professional conduct. It is no part of this paper to define that code; it has already been made sufficiently explicit. Suffice to say then that our conduct and our interpretation and observance of the code will leave a lasting impression on our students and their ethical standards in the years to come will bear the mark of what they have seen and observed in us.

In concluding this part of my paper I find myself still asking questions. Have we always had a definite aim in the practical education of our students and, if so, can we credit ourselves with a reasonable measure of success in the accomplishment of that aim? If not, then the period of educational training has lost much of its value. But if, on the other hand, we have caused our students to realise that knowledge in itself has definite limitations, if we have stimulated thought, if we have emphasised the value of sound judgment, if we have been the means of developing attractive and forceful personalities, if we have instilled in the minds of our students the necessity for high ideals in professional life, then, after the testing years are over and they have won their place in the profession and have earned the respect of their associates and the confidence of clients, they will cast their minds back and, forgetting the trials and tribulations of early years, will remember with gratitude those who meant so much to them in student days.

In approaching the matter of technical education, I have considered it advisable to speak to you of what we have accomplished, or attempted to accomplish, in Ontario, firstly for the reason I gather it is expected I should do so, and secondly I cannot speak with authority of what has been achieved in other provinces.

About fifteen years ago a committee under the chairmanship of Dr. George Edwards considered carefully and exhaustively the whole question of the technical education of accountant students and the decision to establish official courses of instruction was taken after much deliberation by both the Council and the Institute. The chief influencing factors were:—

1. the statutory responsibility of the Institute as an educational body,
2. the failure of the lecture course to adapt itself to the students' needs,
3. the defects developed by privately conducted instructional facilities,
4. the advantages accruing from official observation and control of the student body, and
5. the desirability of giving to the students effective instruction at cost.

Several means for providing this instruction were considered, but finally the correspondence method was decided upon. It is desirable to note here that the choice by the Ontario Institute of this method has certain definite implications. The correspondence method is particularly adapted where instruction is to be combined with practice, as the one is the logical complement of the other. It has a particular application also to cases where the number of students is large and where they are scattered in different centres. With small classes an instructor can follow in a classroom a more flexible method directed more precisely to the needs of particular students. As the numbers increase, however, the opportunities for this decline and the advantages of classroom instruction for correspondence work become correspondingly less. It is important also in correspondence work that the student should be relatively mature and have a firm purpose in his work; to a greater degree than in classroom instruction he must depend on his own stimulus and persistence. In the main, I think the facts of the educational problem of the Ontario Institute justify the choice of method.

Who, then, was to carry out the detailed execution of the Institute's educational work? Certainly the heavy burden could not be placed on the shoulders of a few busy practising accountants. It was thus considered advisable to utilise as far as possible the facilities of a University in this work for the following reasons:—

1. Being an endowed institution, a university is not

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interested in educational work from a profit-making point of view.

2. Education is the specialised business of a university. It has developed methods and built up facilities and a trained staff for this work alone. It follows that the work done will be in accordance with the best educational standards, will have the prestige that is generally accorded to university work and will be done more cheaply than in any other way consistent with quality, because much of it will be done as a by-product of the regular university work.

The choice lay with Queen's University, a university which has had a history of almost a hundred years of service in education and which, being the pioneer body in Canada to undertake extramural or correspondence instruction, had, out of many years' experience in this field, accumulated an invaluable store of information. The authorities of the University tendered to the Institute its co-operation and the use of its established facilities, under conditions so favourable to the successful accomplishment of the purposes in view that a definite undertaking resulted whereby the instructional work would be conducted by their faculty of commerce in collaboration with a select committee of practising accountants. Looking back over the years, I am convinced the choice was an excellent one and I cannot let this opportunity pass without paying tribute to that splendid body of men at Queen's University who have devoted themselves so wholeheartedly, so faithfully and so successfully to the education of our students.

Thus the stage was set and we were faced with the important task of preparing the lesson material. I do not intend to dwell on this, other than to say it occupied a tremendous amount of time, called for unlimited perseverance, and perhaps strained the patience of both the representatives of Queen's University and the select committee of professional accountants. We endeavoured to keep constantly in mind that while the courses should be planned so as to cover the syllabus of the examinations of the Institute, they should be regarded primarily not as a means of coaching for an examination but as education for the practice of a profession with large and increasing legal and moral responsibilities.

At their inception the courses numbered three, known then as the primary, intermediate and final courses. Since that time they have been increased to five yearly courses—one course of twenty-six lessons for each of the five years of practical experience which all candidates for the final examination, other than university graduates, are required to serve. Each of these courses was prepared by a committee of our Institute in collaboration with Queen's University, and so represents the efforts of men widely versed in the practice of accounting and experienced in the art of instruction. It goes without saying that the courses are susceptible to continual revision and improvement, but looking back I think I can safely say that in practically every year we have made substantial improvement both in instruction material and in the quality of the instruction. The courses are now in every way immeasurably better than they were when we began; not only that, but they are immeasurably better than any of us were able to conceive of fifteen years ago. I am satisfied that our ideas of what a good course is have been continually expanding, so that what might have seemed almost perfection at the outset would seem a relatively poor thing indeed at present.

Now a word as to the content of the courses. I have already intimated that each course consists of twenty-six lessons, thirteen of which are to be studied in the spring term which ends on May 7th and thirteen in the fall term which ends on November 19th. Accompanying each

course is a set of text books and acts, which form the basis of instruction and also the nucleus of a professional library. At the end of each lesson there is a set of "Questions and Problems for Written Answer" and the student is required to study these questions and problems and to submit answers and solutions to Queen's University. In order to give the student experience in working under examination conditions, test examinations are set in place of certain exercises. Each student is expected to impose upon himself strict examination regulations when writing these tests.

I will not burden you with an analysis of the material in the five courses, beyond indicating the subjects dealt with in each course and, briefly, some of the special features of the fourth and fifth-year courses. In the first course seventeen lessons are devoted to the subject of accounting principles and practice, six to law and three to arithmetic; in the second course, thirteen to accounting, eight to auditing, four to law and one to office management; in the third course, thirteen to accounting, nine to auditing and four to law; in the fourth course, sixteen to accounting, three to auditing, four to business finance, two to business investigations and one to statistics; and in the fifth course, seventeen to accounting, one to auditing, two to business finance, one to business investigations and five to economics.

In the fourth and fifth-year courses, which are studied in preparation for the final examination, there are lessons in accounting principles and practice dealing with a wide variety of special subjects:—

Chain stores.	Shipping companies.
Theatres and other amusement concerns.	Railroads.
Foreign exchange.	Lumber companies.
Public utilities.	Fishing enterprises.
Executorship.	Insurance—fire, casualty and life.
Cost accounting.	Chartered banks.
Analysis of financial statements.	Flour milling.
Municipal accounting.	Elevators.
Holding companies.	Grain trading.
Stockbrokers' accounts.	Finance corporations.
Trust companies.	Investment trusts.
Loan companies.	Bond and investment houses.
Real estate business.	Newspapers and publishing houses.
Textile industries.	Government accounts.
Bakeries.	Professional firms.
Dairies.	Mining.
Bankruptcy.	Hospitals, hotels and clubs.

You will appreciate from the foregoing synopsis, then, that we have attempted to broaden out materially in these two courses the education of our students.

The courses will in time be improved still further to the point where they probably will constitute the maximum training which can be absorbed in a five-year term. The limitation here must be kept constantly in mind. One can readily think of many things which might be added to the courses and many now in them which might be usefully amplified were the period of training longer than five years and were the amount of time which the registered student has to devote to his course much greater than in fact it is. It can be said that the part of the course which can be continually improved is the problems. Discovery or creation of good problems is the most difficult part of the task of writing a course and it seems unlikely that we shall ever reach perfection in this direction. The only possible policy is continual revision and improvement.

In speaking of our educational courses, I trust I have not left the impression of belittling the value of lectures for, on the contrary, I regard them as all-important

We have in Ontario a Students' Association ; they elect their own officers, formulate their own rules and regulations and are in no way interfered with by the Institute, unless, of course, a grant of money might be termed interference. During the fall they conduct a series of lectures which, while open to all, are directed more particularly to the needs of students preparing for their final examination. These lectures are usually on specialised subjects and are given by men eminently fitted to speak thereon. For the benefit of students unable to attend, and for future reference, the lectures are mimeographed and forwarded to all students on payment of a very small fee. Those students preparing for the primary and intermediate examinations are not overlooked and study groups are organised for their benefit, which are attended and guided by practising members. I am glad also to say they do not forget that "all work and no play makes Jack a dull boy," and during the summer months the students organise a baseball league, a tennis and golf tournament and, after making a "touch" on the Institute, wind up the season with a field day and dance.

Now, what is the reaction of our students to all that has been accomplished in their behalf, and wherein do they fail to benefit as much as they should ? Of course, till the end of time we will always have good, bad and indifferent students. From any course of instruction, and particularly any correspondence course, a student gets no more out of it than he puts in. Some students fail to work methodically and thereby lose much of the potential value of the instruction. There is ample evidence that the good student who takes his work seriously gets out of it quite as much as he expects. In accepting the discipline of the course, he overcomes deficiencies in the ability to think and write precisely. The poor student, that is the one who works spasmodically, is always behind schedule, leans on other students, gets relatively little out of it. Without the co-operation of the student, the correspondence method completely fails. The method of commercial correspondence schools in providing model solutions has the great commercial advantage of cheapness and perhaps some slight advantage as direct coaching for examinations, but fails as fundamental instruction. The instructor can only help the student if the student attempts the problem and thereby lays bare his difficulty. From the Institute's viewpoint what we must ask ourselves is, can we say that the good student is helped and stimulated to the top of his capacities by the instruction given ? Is the indifferent student quickly and promptly informed of the quality of his work ? Is the poor student helped to the utmost of his capacity and informed at an early stage if he lacks sufficient capacity for the task ? I believe that in all these we have made real progress.

Before closing, may I refer to just one other matter ; it has reference to young graduates. They have just completed a period of intensive training and by reason of their diligence and perseverance have passed their final examination and won the right to use the designation "chartered accountant." Metaphorically speaking, at all events, the sweat of hard, hard work in connection with recent examinations is still upon their brows, and quite naturally, in achieving their ambition, there comes to them a feeling of relief, a sense of freedom—freedom from the watchful eyes of professors and instructors, freedom from incarceration in the evenings to study and pore over lessons and text books, freedom from further examinations. But do they realise that in this so-called freedom there is an element of danger, the danger of neglect in self-discipline, the danger of wastage of valuable time ? Do they appreciate that with freedom comes opportunity, and with opportunity comes responsibility

—opportunities for better and more competent service in the firms where they are employed, opportunities for a clearer understanding of the needs and requirements of clients, opportunities for service to their Institutes, opportunities perhaps for public service ? And so we must impress upon them the necessity of controlling their freedom, of directing it into its proper channel—the channel where they will come face to face with their opportunities and, having realised and appreciated those opportunities, the importance of continuing to keep themselves so fitted and equipped, both mentally and physically, that they will be competent to translate their opportunities into their responsibilities.

Incorporated Accountants of Devon and Cornwall.

ANNUAL DINNER.

The annual dinner of the Incorporated Accountants' District Society of Devon and Cornwall was held at the Duke of Cornwall Hotel, Plymouth, on November 27th.

Mr. H. S. BULL (President of the District Society) was in the chair, and the company included :—the Lord Mayor of Plymouth (Alderman Solomon Stephens, J.P.), Mr. Percy Toothill (Vice-President of the Society of Incorporated Accountants and Auditors), Mr. Alec Beecham, M.P., Col. Rewland Ward (Deputy Mayor of Torquay), Sir William Mountstephen, J.P., Brigadier F. H. Witts, D.S.O., Alderman W. J. W. Modley, J.P., Col. E. Dowsett, D.S.O., Mr. H. Lawrence Spear, Mr. L. T. Little, B.Sc. (Deputy Secretary, Society of Incorporated Accountants), Mr. A. N. F. Goodman, LL.B. (Official Receiver in Bankruptcy), Rev. J. T. T. Browne, A.K.C., Mr. F. A. Webber, J.P. (Honorary Secretary, West of England District Society), Mr. Ernest Vosper (Deputy Town Clerk of Plymouth), Mr. C. G. Strick (Inspector of Taxes), Mr. W. H. Crang, Mr. E. B. S. Redman, I.D.S., Mr. G. Digges (Chairman, Devonport Mercantile Association), Mr. A. H. Maclean, C.A., and Mr. S. G. Richards.

Mr. R. W. G. TAPER, A.S.A.A. (Vice-President, Devon and Cornwall Society), proposing the toast of the Lord Mayor and the City of Plymouth, said they were justly proud of the record of public service in this country, although he was inclined to think that the weight of voluntary service was borne by the few. Too many people ignored their duties in this respect. Incorporated Accountants were already performing a valuable service to the community, and he was one of those who believed that this service could be more widely extended if the benefits of accountancy were more generally appreciated.

The LORD MAYOR OF PLYMOUTH (Alderman Solomon Stephens), in reply, said he esteemed it a great privilege to be present with a gathering of Incorporated Accountants. They performed a valuable service through their Society. Plymouth was very proud of its municipal administration. It was largely due to the able services rendered by the officials, and especially in regard to the accounts by the City Treasurer. If traders knew the value to them of their accountants, there would not be so many failures and bankruptcies. Some people looked upon the work of accountants as an expense. He looked upon it as an asset. The knowledge of where he stood financially was necessary to every business man.

Mr. A. BEECHMAN, M.P., proposed the toast of "The Society of Incorporated Accountants." He considered that the profession of politics and statesmanship was a profession of service which called for the exercise not only of ability, but of conscience. But the profession of accountancy was one in which the need of the exercise of

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conscience and intellectual integrity was absolutely paramount. The Society of Incorporated Accountants was an ancient one, and one with which in many ways he had been associated. Accountants owed a very great debt to Members of Parliament, because it was by Members of Parliament that the income tax was imposed. His respect for the Society had been engendered year by year as he had passed, on his way to the Temple, that most beautiful building which was its headquarters in London. He was gratified to know that the Society had some 7,000 members and that it was most careful and vigilant in the education which it gave to novices, and in the way that it watched over those who were members. It was of the utmost importance that Incorporated Accountants should be solidly trained. It was also important that the ordinary layman should know something of the elements of a balance sheet. People in this age were becoming more imbued with a sense of conscience in these matters. It was sometimes asserted quite wrongly that finance was now a great racket, and that we had companies built up without any regard to public needs, which collapsed all too soon. He agreed that company formation was sometimes discussed in an atmosphere, and without a regard for social service in a way which everybody there would deprecate, but it was quite a mistake to imagine that in that regard the situation had not greatly improved. If they took the year 1880 they would find that, of the companies registered in that year, 58 per cent. were dead within five years, and if they took the year 1929, which was the worst year recently from this point of view, 39 per cent. were dead within five years. On the average, between 1919 and 1929, 22 per cent. died. There were years when the percentage was lower: in 1927, for instance, it was 15 per cent. Contrary to what was supposed, there had arisen in this country a feeling that when one established a company one was establishing something that was intended to be of service to the community and which must be established and run with scruple. There was no greater service than that which was performed by accountants, who induced those who established and ran these companies to consider the factors with which they dealt with integrity of mind. He knew that was the standard on which accountants insisted, and they performed a service of the utmost value to the community. Making a plea for clarifying financial matters for the benefit of the layman, Mr. Beechman said he had read statements on finance and accountancy which had made it impossible or very difficult for the layman to understand the matters at issue, when in fact they were perfectly plain.

Mr. PERCY TOOTHILL (Vice-President of the Society of Incorporated Accountants), responding to the toast, regretted that the President, Mr. Walter Holman, had been unable to be present. Mr. Holman had just returned from his visit to America, and was faced with great arrears of work. This, said Mr. Toothill, was his first visit to Plymouth. As the Sheffield District Society only a few weeks ago celebrated its 50th birthday, they could quite imagine with what elder sisterly pride the Sheffield members, of whom he was one, looked upon the progress of their three-years-old sister of Devon and Cornwall. He was glad that the original proposals for the National Defence Contribution had been withdrawn. They would have been most cumbersome and unwieldy to work. It was another example of the benefits and advantages which could be gained from consultation with those professional and trade organisations which were closely concerned with such questions. He had no doubt that in the towns of Devon and Cornwall there were quite a number of small businesses which were failing to take advantage of the services of accountants and of the latest

developments in their technique. He doubted whether there was a business man who at one time or another in his business career had not wished that he could know the state of his business with some precision at frequent intervals. He suggested that the preparation and verification of annual accounts, while remaining probably the most important function of the accountant, needed and would increasingly need to be supplemented by the preparation of a financial statement at intermediate dates. Perhaps therefore he might make a plea for the further education of the business community in this particular respect. It was a feature which he welcomed that the large national concerns in particular were increasingly having prepared for them periodical returns of their businesses. He would welcome a spread of this practice to smaller businesses also. This country, founded as its prosperity was upon industry and trade, could not neglect any development of accountancy technique which would enable that industry and trade to prosper even more than in the past. He suggested indeed that, from the broadest possible point of view, the function of the accountant was to supply precision where otherwise there would be uncertainty. In the modern world, that was a function which was becoming more and more important. When the equilibrium of the financial centre could be disturbed, almost overnight, largely because of a vague feeling of uneasiness, was it not plain that the accountant's attitude, which was an exact attitude, would, if it were more general, act as a stabilising influence? He often thought in these days that it was a great pity the psychology of the accountant was not more widely shared. The training of the accountant might indeed bring about great caution in his attitude toward affairs. Personally, he did not think that was a disadvantage. But if it made for caution, his training also gave him a detachment from temporary scares which was wholly valuable. That detachment was of particular importance at the present time. Whatever might be the movement in specific indices of commerce, he did not think the facts substantiated the view that our economic position had already begun to get worse. At this particular time there was need for care in business and in investment, but that was a need which was always present. It was essential that business men should enter into their engagements knowing as far as they possibly could what those engagements involved, but that again was a necessity which was never absent from business. If the accountant could help to instil a proper sense of values into the strain and stress of modern economic life he would perform an extremely important function. If he could help to induce a more dispassionate view towards day to day movements in economic affairs he would have interpreted the functions of his profession, not in the narrow sense, but in the broad sense upon which the great significance of accountancy in modern life really depended. (Applause.)

The guests were welcomed in a toast proposed by Mr. H. S. BULL (President of the Devon and Cornwall Society), and Sir WILLIAM MOUNTSTEPHEN was first to respond. Other responses were made by the Deputy Mayor of Torquay (Col. Rowland Ward), and Mr. H. Lawrence Spear.

Professional Appointment.

Mr. T. E. Pennington, Incorporated Accountant, formerly of the Borough Treasurer's Department, Bootle, has been appointed Secretary, Treasurer and Accountant to the City Council of Gibraltar.

FORTHCOMING EVENTS.

- Jan. 3rd.** *West of England District Society.* At Bristol, at 6 p.m. Lecture by Mr. E. W. W. Veale, LL.B., on "Shareholding and the Rectification of the Register."
- Jan. 5th.** *Swansea and South-West Wales District Society.* At Swansea, at 6.30 p.m. Lecture by Mr. C. A. Sales, LL.B., F.S.A.A., on "Accounts of Holding Companies."
- Jan. 6th.** *South Wales and Monmouthshire District Society.* At Cardiff, at 7.30 p.m. Lecture by Mr. C. A. Sales, LL.B., F.S.A.A., on "The Valuation of Goodwill."
- Jan. 11th.** *Yorkshire District Society.* At Leeds, at 6.30 p.m. Lecture by Mr. D. I. Sanderson on "Company Law."
Cumberland and Westmorland District Society. At Carlisle, at 7.30 p.m. Lecture by Mr. J. Davies, on "The Valuation of Goodwill."
Dublin Students' Society. At Dublin, at 5.45 p.m. Informal discussion on Papers read at the 1937 Conference.
- Jan. 13th.** *Nottingham, Derby and Lincoln District Society.* At Nottingham, at 6.30 p.m. Lecture by Mr. E. Miles Taylor, F.C.A., F.S.A.A., on "Examination Hints."
Cardiff Students' Society. At Cardiff, at 6.30 p.m. Lecture by Mr. K. V. Stephens, B.A., A.S.A.A., on "Partnership Dissolution Accounts."
Bradford and District Society. At Bradford, at 7.30 p.m. Lecture by Mr. W. Bell, M.A., on "Economic Planning and its Effects."
South of England District Society. At Southampton, at 7.15 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Legal Evasions."
- Jan. 14th.** *Newport Students' Society.* At Newport, at 7 p.m. Discussion Night by Students.
South of England District Society. At Bournemouth, at 7.15 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Legal Evasions."
- Manchester Students' Society.* At Manchester, at 6.30 p.m. Lecture by Mr. E. Miles Taylor, F.C.A., F.S.A.A., on "Costing."
- Jan. 17th.** *West of England District Society.* At Bristol, at 6 p.m. Lecture by Mr. W. J. Back, A.S.A.A. on "The Preparation of Accounts from Incomplete Records."
Newcastle-upon-Tyne and District Society. At Middlesbrough, at 7 p.m. Lecture by Mr. J. Arthur Taylor, A.S.A.A., on "Auditing."
- Jan. 18th.** *Leicester and District Society.* At Leicester, at 6 p.m. Lecture by Mr. W. W. Bigg, F.C.A., F.S.A.A., on "The Conversion of a Business into a Private Limited Company."
West of England District Society. At Gloucester, at 5.45 p.m. Lecture by Mr. J. S. Dudbridge, J.P., F.S.A.A., on "Modern Tendencies in Accounting and Auditing Practice."
Devon and Cornwall District Society. At Plymouth, at 6.30 p.m. Lecture by Mr. R. G. W. Taper, A.S.A.A., on "Current Practice in Company Auditing."
- Jan. 19th.** *Liverpool and District Society.* At Liverpool, at 6.15 p.m. (Joint meeting with the Liverpool and District Branch of the Chartered Institute of Secretaries). Lecture by Mr. A. Lester Boddington, F.S.S., on "Statistics and the Practising Accountant."
Devon and Cornwall District Society. At Exeter, at 6.30 p.m. Lecture by Mr. F. A. Roberts, A.S.A.A., on "Some Practical Problems in Executorship."
Swansea and South-West Wales Students' Society. At Swansea, at 6.30 p.m. Lecture by Mr. D. Benallick, on "Some Points on Income Tax."
- Jan. 20th.** *Bradford and District Society.* At Bradford, at 6.15 p.m. Informal Dinner at Great Northern Victoria Hotel, followed by a Lecture on "Britain and the United States," by Dr. W. H. Coates, LL.B., B.Sc.
- Jan. 21st.** *Birmingham and District Society.* At Birmingham, at 7 p.m. Students' Study Circle. Lecture by Mr. A. P. Bardell, F.S.A.A., on "Economics."
- East Anglia District Society.* At Norwich, at 7.30 p.m. Lecture by Mr. W. H. Stalker, F.S.A.A., on "Budgetary Control."
- Jan. 24th.** *Dublin Students' Society.* At Dublin, at 5.45 p.m. Lecture by Mr. W. H. Stalker, F.S.A.A., on "Budgetary Control."
Newcastle-upon-Tyne and District Society. At Newcastle-upon-Tyne, at 6.30 p.m. Lecture by Mr. J. Wilson, Inspector of Taxes, on "Income Tax : Schedule D."
- Jan. 25th.** *Liverpool and District Society.* At Chester, at 6.45 p.m. Lecture by Mr. K. G. Lyon, A.C.A., on "Practical Points in Insolvency Practice."
- Yorkshire District Society.* At Leeds, at 6.30 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.
- Jan. 26th.** *Hull and District Society.* At Hull, at 7.15 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Income Tax with Special Reference to National Defence Contribution."
- Jan. 27th.** *Nottingham, Derby and Lincoln District Society.* At Nottingham, at 6 p.m. Lecture by Mr. H. McMillan, M.P., on "Trends in Economic and Social Policy."
- Birmingham and District Society.* Dance at the Midland Hotel, Birmingham
Bradford and District Society. At Bradford, at 7.30 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Taxation—with particular Reference to the Latest Changes in the Law relating thereto."
- Jan. 28th.** *North Staffordshire District Society.* At Hanley, at 6.30 p.m. Lecture by Mr. Bertram Nelson, F.S.A.A., on "Incomplete Records."
Sheffield and District Society. At Sheffield, at 6.30 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Back Duty Cases."
- Newcastle-upon-Tyne and District Society.* At Newcastle-upon-Tyne, at 6.30 p.m. Informal Dinner.
- Jan. 31st.** *Liverpool and District Society.* At Liverpool, at 6.15 p.m. Lecture by Mr. W. W. Bigg, F.S.A.A., on "Investigations."

District Societies of Incorporated Accountants.

BELFAST.

Syllabus of Meetings, 1937-38.

- 1937.
- Oct. 7th. Students' Meeting. Discussion on Examination Preparation.
 - Nov. 15th. Luncheon in the Carlton at 1 p.m. Discussion on "The Organisation of Accountants' Offices."
 - Nov. 17th. "The National Defence Contribution," by Mr. W. H. Palmer.
 - Dec. 13th. Luncheon in the Carlton at 1 p.m. Discussion on "The Valuation of Goodwill."
 - Dec. 15th. "Income Tax (Schedule D. Cases 1 and 2)," by Mr. H. McMillan, F.S.A.A.
- 1938.
- Jan. 10th. Luncheon in the Carlton at 1 p.m. Discussion on "Staff Training."
 - Jan. 19th. "Income Tax (Schedule D Cases 3, 4 and 5)," by Mr. W. H. Palmer.
 - Feb. 4th. Students' Dance—Belfast Castle.
 - Feb. 14th. Luncheon in the Carlton at 1 p.m. Discussion on "Working Capital."
 - Feb. 16th. "Income Tax Claims," by Mr. D. T. Boyd, B.Com.Sc., F.S.A.A.
 - Mar. 14th. Luncheon in the Carlton at 1 p.m. Discussion on "The Measurement of Profit."
 - Apr. 20th. Students' Annual Meeting.
 - Apr. 25th. Annual Meeting.

Meetings are held in the Society's Rooms, Coates Buildings, Castle Street, Belfast, at 7.30 p.m., unless otherwise indicated.

BIRMINGHAM.

A football match arranged between teams of members and students of the Birmingham and Sheffield District Societies was played at Birmingham on December 16th.

The match which was keenly contested throughout, resulted in a draw, neither side having been able to score a goal.

The arrangements were excellently carried out by Mr. J. J. Potter, Honorary Secretary of the Birmingham Society, who also captained the Birmingham team. After the match the visitors were entertained by the Birmingham Society.

LIVERPOOL.

On December 14th an address was delivered at the Liverpool Incorporated Accountants' Hall on "A Fiscal Retrospect," by Mr. W. W. Thurgood, Senior Inspector of Taxes at Somerset House. The meeting was followed by a Members' Dinner. The President of the Liverpool District Society (Mr. T. T. Plender) presided, and the guests included Mr. W. W. Thurgood, Alderman William Denton, F.C.A. (Deputy Lord Mayor of Liverpool), Mr. Frederick Cook, F.C.A. (Vice-President of the Liverpool Society of Chartered Accountants), Mr. H. Lowe (Principal Inspector of Taxes, Liverpool), Mr. Kenneth Cook, F.C.A., Mr. Sam Dring (Inspector of Taxes, Liverpool), Mr. J. M. Smith (Inspector of Taxes, Chester), and many of the Merseyside Inspectors of Taxes.

SOUTH WALES AND MONMOUTHSHIRE. (CARDIFF STUDENTS' SECTION.)

The annual dance of the Cardiff Students was held at the Park Hotel, Cardiff, on December 8th. The function was well attended.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

Honour to Mr. Walter MacGregor, F.S.A.A.

Mr. Walter MacGregor, F.S.A.A., Edinburgh, member of the Scottish Council, and a generous supporter of the Students' Society, has been appointed to the Commission of the Peace for the County of Edinburgh.

Glasgow University Professor of Accountancy.

The Ordnance founding the Chair of Accountancy, the funds for which were provided by Mr. D. Johnstone Smith, C.A., LL.D., Glasgow, provides that the Professor of Accountancy shall be entitled to hold office for a period of twelve years from the date of his appointment as Professor and no longer. Next year Professor John Loudon, M.A., C.A., will have held office for that period and his term of office will expire in September next. Mr. Ian Wilson Maedonald, C.A., of the firm of Kerr, Macleod & Macfarlan, has been appointed to succeed Professor Loudon.

Glasgow Students' Society—Lecture on Law of Contract, &c.

A meeting of the Glasgow Students' Society was held at the Constitutional Club, Glasgow, on the 22nd ult., when Mr. Allan Aitken, M.A., LL.B., solicitor, Glasgow, gave a lecture on the Law of Contract, Agency, and Sale of Goods, with special reference to the law of Arbitration in Scotland. Mr. W. Davidson Hall, F.S.A.A., President of the Students' Society, presided over a good attendance of students. After the lecture a number of questions were asked and answered by the lecturer. Mr. James Paterson, Secretary of the Branch (in the absence through illness of the Hon. Secretary, Mr. J. Hawthorne Paterson) intimated that a further course of four lectures on accountancy subjects would be given by Mr. Fred D. Greenhill, C.A., after the New Year.

Dinner to Aberdeen and District Members.

A meeting of the members of the Society and students in Aberdeen and the North-East of Scotland was held in the Caledonian Hotel, Aberdeen, on the 6th ult. Mr. Robert T. Dunlop, President of the Scottish Branch, presided, and was supported by Mr. James Paterson, Secretary of the Branch, Mr. J. J. Sutherland, Mr. Colin Mackenzie (Aberdeen), and Mr. John Noble (Town Chamberlain, Fraserburgh).

Apologies for absence were intimated from Mr. Alexander Davidson, F.S.A.A., Town Clerk, and Mr. Wm. Webster, A.S.A.A., Town Chamberlain, Peterhead, and from Mr. David R. Bishop, A.S.A.A., City Chamberlain, Aberdeen, all of whom were detained by protracted Town Council meetings.

Mr. Dunlop said that, while many of the old members of the Society in Aberdeen, Peterhead and other districts in the North-East of Scotland, had passed away, he was glad to learn that the number of articled clerks and other candidates for the Society's examinations was still encouraging. He referred to the high standard required by the Society and to the steps taken by the Scottish Council in other centres for the training of students in the higher branches of accountancy. He was pleased to see so many young men present, and he could assure them that the Scottish Council desired to give every encouragement to those studying for the Society's examinations. Mr. Dunlop then referred at some length to the new National Defence Tax.

A discussion took place as to the difficulties of candidates in the Aberdeen area, and several stressed the point that if it could be arranged for Aberdeen to be an examination centre it would further the Society's

interests in that part of Scotland and would save candidates the expense, which some juniors could not afford, of going to Glasgow to sit for the examinations.

Mr. Dunlop suggested that the various points raised should be put in the form of a memorandum and sent to the Secretary of the Branch, who would bring it before the Scottish Council, where it would be sympathetically considered.

Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, e.g., (1925) 2 K.B. —

T.L.R., *Times Law Reports*; *The Times*, *The Times Newspaper*; L.J., *Law Journal*; L.J.N., *Law Journal Newspaper*; L.T., *Law Times*; L.T.N., *Law Times Newspaper*; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S.C., *Session Cases (Scotland)*; S.L.T., *Scots Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace (England)*; L.G.R., *Knight's Local Government Reports*; B. & C.R., *Bankruptcy and Company Cases*; All E.R., *All England Reports*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland.

BILLS OF EXCHANGE.

Bird & Co. v. Cook & Son.

Misdescription of Endorsee.

The plaintiffs' servant stole from them certain cheques payable to them and endorsed by them in blank. The first and second defendants were allied companies with similar names. The plaintiffs' servant wrote the name of the first defendants above the endorsement, and delivered the cheques to the second defendants, and received cash from them. The second defendants then endorsed the cheques with a rubber stamp which bore a number of variations of their name, including the name of the first defendants. The plaintiffs contended that the second defendants had acquired no title to the cheques, because they had not been endorsed to them; and that the first defendants had acquired no title to the cheques because they had not given value for them.

It was held that the plaintiffs' servant intended to endorse the cheque to the second defendants and that the effect of the transaction was that the second defendants acquired a good title to the cheques which had been endorsed to them for value.

(K.B. ; (1937) 156 L.T. 415.)

EXECUTORSHIP LAW AND TRUSTS.

In re Winterstoke's Will Trusts.

Apportionment of Securities.

The trustees of a settlement, on the death of a tenant for life, sold certain securities "cum dividend" part of which had accrued between the date when the last dividend was due before the death of the tenant for life and the date of the death.

It was held that the whole of the purchase price was not to be treated as capital, but that the trustees should apportion it between the executors of the tenant for life and the remaindermen and pay to the executors of the tenant for life a sum which represented the proportion of dividend which had so accrued.

(Ch. ; (1937) 54 T.L.R. 20.)

In Re Talbot-Ponsonby's Estate. *Conditions of Gift.*

A testator's will contained the following gift : "The L. estate I leave to my son E. on condition that he makes the same his home and does not allow B. to set foot on the property."

It was held that the condition that the son should make the estate his home was neither void for uncertainty nor impossible to fulfil, nor would there be any difficulty in determining whether or not the son had allowed B. to set foot on the property. Both conditions were, therefore, valid and binding.

(Ch. ; (1937) 54 T.L.R. 33.)

REVENUE.

Commercial Union Assurance Company v. Inland Revenue Commissioners.

Stamp Duty.

An insurance company issued a policy whereby the policy-holder, having paid the company £1,000, became entitled to receive from the company half-yearly payments for a fixed term of years. The proposal for the policy stated that the policy secured the payment of a sum of money by instalments, and the policy itself made no reference to the word "annuity."

It was held that the payments to the policy-holder constituted an annuity within the definition in the head of charge "bond, covenant, or instrument" in Schedule I of the Stamp Act, 1891, but that the policy was a security for the payment of an annuity within the meaning of sect. 87 (2) of that Act and did not come within the exception in the head of charge "bond, covenant, or instrument" in Schedule I; and that duty was accordingly payable at the lower rate under sect. 87 (2) and not at the higher rate under sect. 60 as if it were a conveyance on sale.

(K.B. ; (1937) 54 T.L.R. 34.)

Inland Revenue Commissioners v. Gull.

Exemption from Tax.

The exemption from income tax under Schedule D granted by sect. 37 (1) (b) of the Income Tax Act, 1918, to the income of any body of persons or trust established for charitable purposes only has no application to the income of such bodies of persons or trusts established outside the United Kingdom, apart from special statutory exemptions.

(K.B. ; (1937) 54 T.L.R. 52.)

Collins v. Joseph Adamson & Co.

Manufacturers' Price-maintaining Association.

Certain manufacturers of boilers formed an association for the purpose of maintaining prices by means of a pooling scheme. The association made two payments : (1) in order to purchase and close down a company, one of its members, thereby preventing the intended sale of that company to a purchaser who did not intend to be a member of the association; and (2) in order to enable one of its members to acquire control of a company which was not a member of the association but the membership of which was considered essential to the success of the pooling scheme. One of the members of the association, in making its return of income, claimed to deduct from its profits the sums which it paid as its contribution towards the sums expended by the association for those two objects.

It was held (1) that the payments made by the association had created for its members an advantage of such an enduring nature that the payments were properly to be treated as capital and not revenue expenditure; and that the deductions claimed by the member were therefore not permissible; (2) that it was immaterial, for the purpose of testing whether a payment was a capital or a revenue payment, to inquire whether or not it had been productive.

(K.B. ; (1937) 54 T.L.R. 64.)